

**BOARD OF REGENTS
UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
GBC Fitness Center
Great Basin College
1500 College Parkway, Elko
12:00 noon, Wednesday, June 19, 2002
8:00 a.m. Thursday, June 20, 2002**

Members Present:

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

Others present:

Chancellor Jane Nichols
Vice Chancellor, Finance & Administration Dan Miles
Vice Chancellor, Academic & Student Affairs Richard Curry
General Counsel Tom Ray
President Ron Remington, CCSN
President Paul Killpatrick, GBC
Interim President Chris Chairsell, NSCH
President Philip Ringle, TMCC
President Carol Harter, UNLV
President John Lilley, UNR
President Carol Lucey, WNCC
Chief Administrative Officer Suzanne Ernst

Also present were faculty senate chairs Dr. Joan McGee, CCSN; Mr. Pete Bagley, GBC; Dr. Eun-Woo Chang, TMCC; Dr. Bill Robinson, UNLV; Ms. Bourne Morris, UNR; and Ms. Winnie Kortemeier, WNCC. Student government leaders present included Ms. Kerri Hamrick, CCSN; Mr. Steve Houk, GBC; Mr. Kiyoshi "Teddy" Noda, TMCC; Ms. Monica Moradkhan, UNLV; Ms. Jocelina Santos, UNLV-GSA; Ms. Alicia Lerud, UNR; Ms. Marilou Woolm, UNR-GSA.

Chair Thalia Dondero called the meeting to order at 12:00 noon on June 19, 2002 with all members present except Regents Derby and Sisolak.

1. Information Only-Personnel Sessions - The Board held a closed personnel session

1.1 Approved-Closed Session - In compliance with NRS 241.030, closed sessions were held for purposes of discussion of the character, alleged misconduct, professional competence, or physical or mental health of certain executive employees of the UCCSN.

Regent Rosenberg moved approval of moving to a closed personnel session. Regent Alden seconded. Motion carried. Regents Derby and Sisolak were absent.

The meeting recessed at 12:05 p.m. and reconvened at 1:27 p.m. with all members present. Regent Sisolak participated by telephone.

1.2 Information Only-Return to Open Session - The Board returned to open session.

2. Introductions - President Ringle introduced TMCC Student Body President, Mr. Kiyoshi "Teddy" Noda; TMCC Student Body Vice President, Ms. Lisa Connolly; and TMCC's Student Advisor, Ms. Tracey Oliver-Olsen. President Remington introduced CCSN Student Body President, Ms. Kerri Hamrick; CCSN Student Body Vice President, Ms. Suzie Hanash; and CCSN Faculty Senate Chair, Dr. Joan McGee. President Killpatrick introduced GBC Student Body President, Mr. Steve Houk; GBC Student Body Vice President Dan Mahlberg; and GBC Faculty Senate Chair, Mr. Pete Bagley. Vice Chancellor Curry introduced a new staff member for Academic & Student Affairs in Las Vegas, Ms. Cathryn Judd. President Lucey

introduced WNCC Director of Nursing, Ms. Mickey Wade, MS, RN; and WNCC Faculty Senate Chair, Ms. Winnie Kortemeier. President Chairsell introduced NSC Chief Financial Officer, Ms. DeDe Nakajima.

3. Chair's Report - Chair Dondero welcomed the System's two newest presidents to their first Board meeting: Dr. Paul Killpatrick, President, GBC; and Dr. Philip Ringle, President, TMCC. She noted the many improvements to the GBC campus. She thanked her Board colleagues for their work as committee chairs and committee participants, adding that tremendous work had been accomplished. She then thanked the institution presidents, faculty senate chairs, and student body representatives for their good work. She conveyed a special thanks to System staff for their support and efforts during her term as chair. She related that Chancellor Nichols was remarkable. Chair Dondero stated that she was proud and honored by her experience as Board Chair, and cited several accomplishments during her term: William S. Boyd School of Law's first graduates, the establishment of a new dental school and a new state college, the reopening of the Fire Science Academy, completion of a nursing report to allow UCCSN institutions to help solve the critical community need, the start of a Millennium Bound Outreach Center, and a Master Plan that will guide Nevada higher education to new levels of quality and service. She related that she had served on six search committees resulting in five outstanding presidents and one remarkable Chancellor.

4. Chancellor's Report - Chancellor Nichols reported that UCCSN had a successful hearing before the Interim Finance Committee. Given the state budget outlook, the chances for success regarding System requests were uncertain, but all three requests were approved. The request for an allocation from the Estate Tax account for medical malpractice insurance for the University of Nevada School of Medicine was approved. The committee endorsed a sum of \$388,108. A request to provide a correction (from Estate Tax funds) to the Community College of Southern Nevada's FY03 budget was approved. The college will receive \$2,577,706 to assist it in meeting its obligations to students, faculty, and staff. Finally, the IFC gave approval to allow UCCSN campuses to expend the excess tuition and fee revenue generated in FY02. This was a critical issue for the UCCSN, as the institutions had already provided instruction and services to the additional students who enrolled this year. However, UCCSN has agreed to pay back to the General Fund an amount of \$1.48 million during FY03. Chancellor Nichols stated that the System was grateful for the IFC's consideration of higher education's needs during these difficult financial times. She thanked the institution presidents for their collaborative effort.

Chancellor Nichols reported that the Millennium Scholarship Program was having an immediate and positive impact on college continuation rates. System Administration created a file for 2000 containing a record for every one of the 428 institutions in the country that enrolled at least one Nevada resident who was a recent high school graduate and a first-time, degree-seeking freshman. (Fall 2000 enrollments are the most current data available). Using data from the National Center for Education Statistics, the standard trend table on college-going rates has been updated with very interesting results:

- Historically, Nevada has ranked lowest of states in traditional college-going rates.
- In 1992, Nevada's college-going rate was 33%.
- In 1998, Nevada's college-going rate was 40%.
- In Fall 2000, when Millennium Scholarship students first enrolled at the UCCSN, there was a dramatic increase in the college-going rate. The college-going rate increased to 49% in 2000.
- The rate increased by 9 percentage points from 1998 to 2000 compared to the increase of 7 percentage points for the previous 6 years (1992-1998) and 1 percentage point from 1996-1998.
- The percent of Nevada's recent high school graduates who attended school outside of Nevada decreased very slightly from 1998 to 2000 (0.7%).

Chancellor Nichols announced that Dr. Joan McGee had been named chair of the faculty senate chairs. She expressed her appreciation to Chair Dondero, adding that she had learned so much from her. Chancellor Nichols then introduced President Paul Killpatrick.

President Killpatrick welcomed participants to Great Basin College. He thanked college employees for their hard work in preparing the campus for the Board meeting. President Killpatrick provided a presentation on community partnerships that highlighted the benefits of community partnerships, including responsiveness to community needs, complimenting the college mission, providing a cultural hub, contributing to the quality of academic offerings, and enhancing economic, retention, and diversification efforts.

Tech Prep - 51 courses articulated with area school districts; a summer institute; GBC hosted 12 high school teachers in welding courses over the last two years; non-traditional training programs for female high school students; and a regional High Tech Center.

Northeast Nevada Technology Consortium - Services 5 service area school districts and WestEd; facilitates cooperative efforts for Perkins and Tech Prep grants, and utilizes a "train the trainer" model. This program received a Nevada Department of Education grant award. All classes are provided free to teachers and support staff through the Federal Technology Literacy Challenge fund.

School to Career: Partnership with service area school districts; college serves as fiscal agent for federal and state grants; although the funds are ending, the partnerships will continue. Partnerships include: Placement Specialist, Recruitment,

Resources in GBC Career Center, and Involvement with the High Tech Center.

Northeastern Nevada Professional Development Program - Collaboration with service area school districts; provides instruction to teachers; new academic standards; measurement of student achievement; analysis and interpretation of testing results; delivery methods for teaching basic skills; and Elementary Education Program Advisory Group.

Unique College Partnerships

- Great Basin Writing Project - Improving the teaching of writing and improved learning through its professional development model. The Writing Project is part of a nationwide network, which recognizes the primary importance of teacher knowledge, expertise, and leadership. There are 3 Writing Project sites in Nevada, and GBC is the only community college host.
- Mark H. Dawson Child and Family Center - Awarded \$260,000 for literacy-based programs, the Center is a partnership with the Elko County School District and the Family Resource Center. The Center was also the recipient of the Regents' Award Program.
- Manpower Training Cooperative (MTC) - Involves mining partnerships that have trained over 650 students. The mines have donated over \$5 million in equipment and support. Academic programs include Diesel, Electrical Instrumentation, Industrial Plant Mechanics, and Welding Technology. It received the international Benchmark Practice for Local Economies award. 85% of the graduates enter the workforce within 3 months of graduation.
- Rural Emergency Medical Services Outreach Project - Addresses crucial shortages, emergency medical personnel, training, resources, technical assistance, a \$569,000 grant awarded over 3 years to improve the pre-hospital services through innovative programming and delivery methods.
- Elko County Economic Diversification Authority - Economic plans include: generating employment and income, developing human resources, transferring technology, and contributing to the quality of life. The effort provides assistance via outreach and also funds an annual scholarship.
- Eisenhower Professional Development Program - Bridging the gap with High School English to College Writing, the program received a \$35,227 grant award. The program focuses on college and high school faculty working together to address remedial education.
- Elko County Class-Size Reduction Project - GBC is coordinating the evaluation to determine the affects of reduced class sizes. It involves elementary education students as research assistants, classroom observations, focus groups, parent-teacher-principal interviews and surveys.
- Education Commission of the States - Examines the role of community colleges to increase the number of certified teachers and teacher preparation. It also addresses the specific role of community colleges in providing technology training to teacher education candidates.
- CESU Consortium - Great Basin Cooperative Ecosystems Studies Unit. Partnerships with 8 universities and 2 research institutes to conduct mission-oriented research, provide technical assistance, offer educational programs to federal agencies and partners concerned with natural and cultural management.

Proposed Initiatives

- BAS-TMCC & WNCC - Bachelor of Applied Science degree program coordinated with TMCC and WNCC to create access to BAS. Would increase access of AAS students to a baccalaureate degree.
- UNR Fire Science Academy - Students taking specialized training can articulate courses with GBC BAS degree. GBC is researching curricula in other states and the Federal Emergency Management Agency (FEMA) curriculum.
- UNR Social Work Program - Establish articulation agreements to provide access to northeastern Nevada students, the 3+1 collaborative model addresses the needs of social workers in rural areas.

President Killpatrick reported that the benefits of community partnerships encompassed responding to workforce needs (i.e. preparing teachers, preparing specialized training for the mining industry, and responding to community health-related needs). He stated that partnerships provided access to regionally bound students to enhance career mobility or graduate school preparation. He related that the Elko Mining Games were opened this year to include community participants. 16 GBC volunteers participated in the tug-of-war, based upon an assurance they would compete with other community participants. The men's team faced the Cortez mining team, champions for the prior two years. The miners were surprised that GBC won on the second pull (of three attempts). Dr. Killpatrick related that the coed team received 2nd place and that there had been good participation by all.

5. Accepted-Plan to Double Capacity of Nursing Programs at UCCSN Institutions - The Board accepted the report entitled The UCCSN Board of Regents' Plan to Double the Capacity of Programs of Nursing Within the System. (Ref. A on file in the Board office.)

Vice Chancellor Curry recognized Dr. Julie Johnson, Director, Orvis School of Nursing-UNR, and Ms. Doreen Begley, RN, MS, Nurse Executive-Nevada Hospital Association, who served as co-chairs of the task force. He also thanked Dr. Mike Harter who originally served as chair of the task force, organized the study, collected the data, and oversaw much of the first draft. Dr. Curry thanked task force members for their hard work in developing innovative proposals for more outreach, support systems, and content delivery. Innovative strategies include year-round operations, enhanced outreach, and support

for at-risk students. Use of new delivery systems is also outlined in the plan. Budgetary impacts include: faculty, staff, operating, equipment, space renovation, and media costs. He noted one correction to the final report: the total net effect is \$300 less than originally reported. He indicated that the Health Care Education Committee had reviewed the plan and recommended full Board approval.

Ms. Doreen Begley reported that she and Dr. Johnson were the co-authors of the plan before the Board. She thanked the Board for the opportunity to discuss the plan to double UCCSN's nursing enrollments. She referred to a colored map (on file in the Board office) emphasizing that Nevada has the lowest nurse-to-population ratio in the nation. Both she and Dr. Johnson were quoted in a New York Times article (on file in the Board office) regarding Nevada's nursing shortage. They both referenced the plan as one strategy for improving Nevada's dubious distinction. She expressed her appreciation to Chancellor Nichols and Vice Chancellor Curry for their tireless support, Dr. Mike Harter for initiating the project, and to Vice Chancellor Miles and Budget Director Larry Eardley for their assistance. She also thanked the many nurses who provided the necessary information and collaboration including: Dr. Jean Perry, Dean, College of Human and Community Sciences-UNR; Ms. Fran Brown, MSN, MSEd, Dean, Division of Health Sciences-CCSN; Dr. Shirley Snyder, Nursing Program Director-CCSN; Ms. Rosemary Witt, Associate Professor/Chair, Nursing-UNLV; Ms. Georgeanna Smith, Director, Nursing-GBC; Ms. Emily Jo Hasley, Director, Nursing-TMCC; and Ms. Mickey Wade, Director of Allied Health Programs-WNCC. Ms. Begley acknowledged other important supporters present, including Mr. Don Rennie, Nevada State Board of Nursing, faculty, student nurses, and hospital staff. Ms. Begley referred to two additional articles (on file in the Board office) that emphasize the critical shortage of nurses. Ms. Begley reported that the 3rd goal in the UCCSN Master Plan for Higher Education in Nevada targets the development of responsive educational programs that focus on critical shortages in identified fields. She related that UCCSN's Strategic Plan also noted that simple demographics in Nevada would require at least a 50% expansion of services in order to meet the demand for traditional-aged students over the next decade. She explained that the plan to double nursing enrollments was a pilot project to assist in implementing the UCCSN Master Plan since nursing had identified itself as a profession in critical need. She indicated that Chancellor Nichols had encouraged an economic use of resources, innovative approaches to educational delivery, and collaboration.

Dr. Julie Johnson provided an overview of the report. The plan to double nursing schools enrollment was mandated by the 2001 state legislature because the severe nursing shortage is a threat to providing safe and timely health care to Nevada citizens. Nevada's nursing shortage can be attributed to the rapid population growth, particularly among the elderly, and the current level of state funding to UCCSN schools of nursing is not sufficient to produce an adequate number of nurses to keep pace with the population growth. Contributing factors include new hospital construction, a changing work environment, an aging workforce, and state and national accreditation criteria for schools of nursing. The report also shows that a majority of Nevada's nursing schools have traditionally had more qualified applicants than available positions. This trend has continued into the 2002-03 academic year. UNR's Orvis School of Nursing had 81 qualified applicants for 48 positions. Because Orvis just received a \$233,000 grant from Nevada Works to hire additional faculty for 2003-04, 24 additional students will be admitted in the coming year. Dr. Johnson stated that it was essential to recognize that UCCSN could not continue to depend upon soft money in order to admit additional students. She indicated that it was critical for the state to provide adequate funding for UCCSN schools of nursing. The primary objective of the plan is to increase the number of students enrolled in System schools of nursing from 656 in 2000-01 to 1,443 in 2006-07. The report includes projected enrollments and graduates for the next two biennia as well as detailed descriptions of proposed collaborative and innovative strategies and efficient use of resources that the schools of nursing would utilize in order to double the enrollment. Some strategies are already in place (mentoring program for elementary and high school students, summer program to recruit and prepare high school students for nursing, an accelerated bachelor's program for second degree students, as well as selective courses offered on the web). Dr. Johnson related that the following actions were crucial to the success of the plan:

- Use of an aggressive statewide media campaign portraying nursing as an exciting and intellectually demanding profession. This campaign will place particular emphasis on recruiting members from diverse populations (i.e. men and minorities) into the nursing profession.
- Continued development of tutoring programs in verbal communication, writing, mathematics, and science to assure the success of ESL and other at-risk students.
- Provision of adequate financial aid for students committing to enroll in the nursing major.
- Critical need for state funding of summer sessions. It is imperative that the schools of nursing offer classes during the summer in order to use clinical agencies and classroom space on a year-round basis. Currently the clinical agencies used are almost at capacity with students during the academic year and have no students during the summer. They would be severely challenged to accommodate significantly more students during the Fall and Spring semesters. Summer school is also critical to offering year-round admission to nursing programs and to accommodating employers' requests to make graduates available for hire several times a year. Without state funding for summer school, doubling the System's nursing schools enrollment is not possible.

Dr. Johnson related that the cost to UCCSN over the next two biennia to expand its nursing programs would total \$27,266,235 (\$11,995,216-Biennium 1 and \$15,271,019-Biennium 2). Dr. Johnson stated that addressing Nevada's critical nursing shortage would not come cheaply, but would demand a major and sustained financial response from state policymakers. She reported that the price of inaction would ultimately be born by all Nevadans.

Ms. Begley stated that she and Dr. Johnson were confident that the plan met the goals set forth in the UCCSN Master Plan, the Chancellor's requests, and the legislative mandate. She related that the plan was the right thing to do for the nursing profession, the nursing students and the people of Nevada.

Regent Seastrand moved acceptance of the report. Regent Kirkpatrick seconded.

Regent Derby asked about legislative funding for the legislative mandate. Ms. Begley replied that she felt the legislature would not have mandated the report without an intent to consider their financial involvement. She encouraged Board support and commitment for the plan. Chancellor Nichols stated that the legislature had requested a fundable plan during the last session. She said the task force worked diligently to provide a reasonably priced plan that would provide the startup money to double the enrollments. She related that the formula funding would cover the cost of this once the enrollment was in place (after a period of 4-6 years).

Regent Alden asked whether the plan included adequate support levels to address need-based scholarship funds. Ms. Begley replied that she felt there was, adding that \$250,000 was included for that purpose in each biennium. She noted that the plan identified the needs. Regent Alden asked whether sufficient partnerships would be developed for internships. Dr. Johnson replied that the nursing task force had developed a close working relationship with the various clinical agencies throughout Nevada, adding that they were extremely supportive of this plan. Those agencies have committed to making spaces available to accommodate students. Regent Alden asked whether the plan encompassed 2- and 4-year programs. Ms. Begley replied that it did. Dr. Johnson replied there were 4 programs from the community colleges and 3 programs from UNLV, UNR, and NSC. Chancellor Nichols noted that a critical part of the plan included seeking Board approval of a 4-year nursing degree at GBC. She recalled that the request had not been funded in the previous session, but that funds had been included for that purpose in the plan.

Regent Seastrand expressed his appreciation to those who collaborated on the plan, adding that it was long overdue. He hoped the legislature would fund it. He felt it was an important thing to do for Nevada, adding that he had an experience with his mother at the hospital entailing a 7-hour wait. She passed away shortly after being admitted. He again expressed his hope for legislative funding.

Regent Sisolak asked about UNLV's and CCSN's ability to admit qualified applicants. Ms. Rosemary Witt replied that UNLV would be admitting 56 students out of 119 qualified applicants. Dean Fran Brown stated that CCSN had selected 64 students for the Fall semester and 20 for the following Spring semester. Because CCSN was admitting so far in advance, they had not turned away any qualified applicants. Regent Sisolak asked whether there was more demand than capacity at CCSN. Dean Brown replied that the 20 students scheduled for the Fall semester had been turned away for the current semester.

Regent Gallagher asked whether the hospital association had discussed creating a friendly attitude in the workplace for nurses with the hospitals. She felt that administrators and doctors should be educated about the importance of nurses. Ms. Begley agreed. She said the nursing shortage affected hospitals more critically. Work is being done to improve conditions in all hospitals, which is not an easy task. She said that every hospital in Nevada was thoroughly reviewing this issue to make hospitals the employer of choice.

Regent Rosenberg observed that it was difficult to attract nurses to the profession because of: 10-12-hour shifts, less than adequate pay, and doctors' attitudes. Ms. Begley replied that the problem was threefold: attracting people to nursing, establishing professional development or an educational base, and retention. She related that the plan specifically addressed the educational portion of the trilogy.

Motion carried.

6. Approved-Board Meeting Calendar 2003 - The Board reviewed and discussed meeting dates for the proposed Board of Regents' meeting calendar for 2003.

January 30-31 March 19-20 May 8-9
June 18-19 August 14-15 October 8-9
December 11-12

Regent Alden moved approval of the 2003 Board meeting calendar. Regent Rosenberg seconded.

Regent Howard requested the item be moved to a separate agenda, adding that she was unsure about the days of the week involved. Ms. Ernst replied that System Administration had received numerous institutional requests to at least set the dates so they could set their calendars. She related that she had followed the same procedure of alternating Thursday-Friday and Wednesday-Thursday meetings. She indicated that notable dates had been checked (i.e. state holidays, religious dates, Regent conferences, the academic calendar, Super Bowl, and the Legislative session) to avoid conflicts. She stated that proposed meeting sites would be addressed at a future date. Regent Howard asked whether Regents had any input to the dates. Ms. Ernst replied that Board members could provide their input at this point. Chancellor Nichols clarified that the calendar was brought before the Board for approval every year. Regent Howard asked whether the Board approved the proposed dates or whether they actually set the calendar. Chair Dondero replied that the dates proposed did not conflict with

other functions, holidays, holy days, and other notable dates. Regent Howard observed that she had heard other Regents express dissatisfaction with the meeting days. She related that Thursday-Friday was better for her. Regent Rosenberg agreed, adding that Thursday-Friday was much better for him.

Regent Kirkpatrick noted that some Board members had requested the change to Wednesday-Thursday meetings.

Regent Derby stated that she liked the alternating schedule. She found travel on Fridays to be difficult because flights were often delayed and Friday meeting dates often interfered with weekend plans.

Regent Gallagher noted that the Board had discussed the difficulty of getting out of Las Vegas on Friday nights, yet all of the southern meetings had been scheduled on Thursday-Friday. She had no meeting schedule preference.

Regent Seastrand related that he had supported the alternating schedule because it meant less time away from work and allowed him one business day to catch up on work that had accumulated during his absence.

Dr. Joan McGee related that the faculty senate chairs agreed that Thursday-Friday meetings worked better for them. She encouraged a Board decision so as to enable the institutions to set their calendars.

Regent Howard asked whether the proposed meeting dates alternated. Ms. Ernst replied that they did.

Ms. Alicia Lerud reported that students also preferred Thursday-Friday meetings because they missed less class time.

Regent Rosenberg stated that Thursday-Friday meetings were better for faculty.

Regent Hill suggested expediting the process with a poll of the Board. Chair Dondero replied that a motion had been made.

Regent Howard asked that the days of the week be identified. She thought there were more Wednesday-Thursday meetings scheduled than Thursday-Friday. Ms. Ernst reviewed the days and dates:

January 30-31, 2003 - Thursday-Friday
March 19-20, 2003 - Wednesday-Thursday
May 8-9, 2003 - Thursday-Friday
June 18-19, 2003 - Wednesday-Thursday
August 14-15, 2003 - Thursday-Friday
October 8-9, 2003 - Wednesday-Thursday
December 11-12, 2003 - Thursday-Friday

Regent Derby preferred that Wednesday-Thursday meetings be held outside of the school year. She asked that Thursday-Friday meetings not conflict with Fall and Spring semesters.

Regent Alden stated that leaving Las Vegas and/or Reno on a Friday was not pleasant. He asked that Friday meetings be adjourned by 1:00 p.m. or to hold only Wednesday-Thursday meetings.

Regent Howard stated that it was difficult and expensive to fly into certain sites where direct flights were not provided, adding that she would likely miss future dates in Elko.

Regent Alden stated that he would not support any Friday meeting dates.

Upon a roll call vote the motion carried. Regents Derby, Dondero, Gallagher, Hill, Hobbs, Kirkpatrick, Rosenberg, Seastrand, and Sisolak voted yes. Regents Alden and Howard voted no.

7. Approved-Consent Agenda - The Board approved the Consent Agenda with the exception of item #3 (Appointment With Tenure, UNLV). Ms. Ernst noted an error in the April 18-19, 2002 minutes. Item 7, page 223, the motion should have read, "Regent Hill moved to gratefully accept the report and to refer it to the Chancellor and presidents for concrete recommendations on implementation. Regent Sisolak seconded." Chancellor Nichols clarified that the reference for item #13 (Distribution of Registration Fee Revenues) had been mailed separately.

(1) Approved-Minutes - The Board approved the minutes from the regular meeting held April 18-19, (as modified) and the special meeting held May 9, 2002.

(2) Approved-Leave of Absence, UNLV - The Board approved a request for James Cardle, Associate Professor of Civil and Environment Engineering, to be given a 3-year leave of absence (September 2002 through June 2005) without pay to attend law school at Notre Dame. His request for a 3-year leave of absence has the support of his chair, David James, and his dean, Dr. Darrell Pepper. According to Dean Pepper, Professor Cardle's interest in the areas of patent law and intellectual property fits ideally with the long-term goals and needs of the College of Engineering. Support is given for a 3-year leave of

absence without pay with the following conditions: (Ref. C-2 on file in the Board office.)

1. Professor Cardle is expected to return to UNLV for a period of time at least equal to that of his last contract.
2. Professor Cardle will pay for his own health insurance coverage during his 3-year leave of absence.
3. Professor Cardle will maintain UNLV library privileges during his leave of absence.
4. Professor Cardle's payment for work on sponsored projects will be prorated at his current salary rate as increased by any across-the-board faculty salary raises.
5. Professor Cardle's travel expenses to and from Las Vegas on grant-related business will be charged to his grant.
6. Professor Cardle will maintain possession of his laptop computer, plus access to UNLV computer systems.

(4) Approved-Tenure Upon Hire, UNR - The Board approved the tenure upon hire of Stephan Wilson, Ph.D., as Chair of the Human Development and Family Studies Department, College of Human and Community Sciences, University of Nevada, Reno. Dr. Wilson has an outstanding record of academic and professional leadership experience and publications as shown on his vitae. The department faculty and the Dean of the College of Human and Community Sciences support this appointment unanimously. (Ref. C-4 on file in the Board office.)

(5) Approved-Tenure Upon Hire, UNR - The Board approved the tenure upon hire of Joan Lee Chow, Ph.D., as Dean of the Reynolds School of Journalism, University of Nevada, Reno. Dr. Lee has an outstanding record of academic and professional leadership experience and publications as shown on her vitae. This appointment is supported unanimously by the tenured faculty and acting dean of the Reynolds School of Journalism. (Ref. C-5 on file in the Board office.)

(6) Approved-President's Advisory Board, CCSN New Members - The Board approved the new members for CCSN's President's Advisory Board for July 1, 2002 through June 30, 2004. (Ref. C-6 on file in the Board office.)

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

- Install Purified Laboratory Water (Henderson Campus) 25,000
 - Observation Pads/Astronomy Dome (Henderson Campus) 34,000
 - Install Two Covered Patios (Henderson Campus) 40,000
- TOTAL: \$99,000

(8) Approved-Capital Improvement Fee Funds, GBC - The Board approved the use of \$40,000 in Capital Improvement Fee funds for the Child Center addition. The addition will include a classroom, drop-in area, two restrooms and three office areas. The college will be accommodating 40 additional at-risk children under a new, 3-year state grant.

(9) Approved-Capital Improvement Fee Funds, WNCC - The Board approved the use of \$120,000 in Capital Improvement Fee funds for the lease/purchase of a telephone system for the College. (Ref. C-9 on file in the Board office.)

(10) Approved-UCCSN Police and Security Forces - At the April 2002 meeting, the Board approved the UCCSN Police Study Report. The provisions contained in that report were presented as a Handbook amendment (Title IV, Chapter 1, Section 9) for formal codification. (Ref. C-10 on file in the Board office.)

(11) Approved-Medical Student Annual Fee for Health, Life, & Disability Insurance, UNR - The Board approved the 2002-2003 premiums for the regular student insurance plan (UNR/TMCC/WNCC) and the medical student insurance plan. Mega Life will administer the regular student insurance plan, and the medical student insurance plan will be administered by USI Administrators (Title IV, Chapter 17, Section 10). The proposed premiums were not yet available in March 2002 when annual campus special fee requests were considered by the Board. (Ref. C-11 on file in the Board office.)

(12) Approved-Student Health & Accident Insurance, UNLV - The Board approved increased special fees at UNLV for student health and accident insurance (Title IV, Chapter 17). The proposed premiums were not yet available in March 2002 when annual campus special fee requests were considered by the Board. (Ref. C-12 on file in the Board office.)

(13) Approved-Distribution of Registration Fee Revenues - In April 2002, the Board approved the tuition and fee levels for all UCCSN institutions. The revenue distributions found in Ref. C-13 provide the institutions with the flexibility necessary to target areas of greatest need at each institution. Included in the proposed distributions is a request to provide a consistent fee schedule for university graduates and undergraduates regardless of the number of credits taken. (Ref. C-13 on file in the Board office.)

(14) Approved-Renewal of Lease, USDA/UNR - The Board approved the renewal of a lease with the U.S. Department of Agriculture, Rural Development Office, for building space at the Fallon Agricultural Center (111 Sheckler Road, Fallon, Nevada). The U.S.D.A. has leased this space for many years. This request was to renew the lease that expired in 2001. The monthly rental of \$5,008.25 contributes significantly to the cost of maintaining the building. (Ref. C-14 on file in the Board office.)

(15) Approved-City of Reno Sewer Easements, UNR - The Board approved the City of Reno sewer easements required to

attach the City sewer systems to the University of Nevada, Reno's sewer mains during reconstruction of Evans Avenue and 9th Street. The three easements are approximately 15'x37', 13'x71', and 15'x15'. (Ref. C-15 on file in the Board office.)

(16) Approved-NDOT Easement/Pembroke Bridge, UNR - The Board approved an easement for the Nevada Department of Transportation to be used for the reconstruction of the Pembroke Bridge, adjacent to the University of Nevada, Reno's Main Station Field Lab. The easement is also for future maintenance of the bridge crossing the Steamboat Ditch. Three parcels are involved: (Ref. C-16 on file in the Board office.)

- PE4A 1,980-sq. ft. or .0455 acres.
- PE4B 835-sq. ft. or .0192 acres.
- TE4 39,341-sq. ft. or .9031 acres.

Regent Hill moved approval of the Consent Agenda with the correction to the minutes noted. Regent Gallagher seconded.

Regent Howard asked to discuss Consent Agenda item #3 (Appointment With Tenure, UNLV) separately.

Motion amended to exclude item #3 (Appointment With Tenure, UNLV).

Motion carried. Regent Rosenberg abstained.

(3) Approved-Appointment with Tenure, UNLV - The Board approved the appointment with tenure for the following faculty members:

- Dr. Christopher Blakesley, Professor of Law, effective August 1, 2002. Approved by faculty vote to hire with tenure. (Ref. C-3a on file in the Board office.)
- Dr. David Donnelly, Professor and Chair of Accounting, effective July 1, 2002. Approved by faculty vote to hire with tenure. (Ref. C-3b on file in the Board office.)
- Dr. Robert M. Lawless, Professor of Law, effective August 1, 2002. Approved by faculty vote to hire with tenure. (Ref. C-3c on file in the Board office.)
- Dr. Sylvia R. Lazos, Professor of Law, effective January 1, 2003. Approved by faculty vote to hire with tenure. (Ref. C-3d on file in the Board office.)
- Dr. Dieudonne Phanord, Professor and Chair of the Department of Mathematical Sciences, effective July 1, 2002. Approved by faculty vote to hire with tenure. (Ref. C-3e on file in the Board office.)
- Dr. Stephen Rosenbaum, Professor of Philosophy and Dean of the Honor's College, effective August 1, 2002. Approved by faculty vote to hire with tenure. (Ref. C-3f on file in the Board office.)
- Dr. Jean R. Sternlight, Professor of Law, effective August 1, 2003. Approved by faculty vote to hire with tenure. (Ref. C-3g on file in the Board office.)
- Dr. Roberta Studwell, Professor of Law/Law Library Director in the William S. Boyd School of Law, effective August 1, 2002. Approved by faculty vote to hire with tenure. (Ref. C-3h on file in the Board office.)
- Dr. Janet Ward, Associate Professor of History and Director of Interdisciplinary Programs in the College of Liberal Arts, effective August 1, 2002. Approved by faculty vote to hire with tenure. (Ref. C-3i on file in the Board office.)

Regent Howard expressed concern for the number of faculty being hired with tenure. President Harter agreed that it was unusual for so many individuals to be recommended. She reported that, of the nine appointments with tenure, four individuals were major department chairs (Accounting, Mathematics, Honors College, Director of Interdisciplinary Programs), and were being hired at the senior professor and director level. The remaining five were senior faculty in the School of Law. She said that UNLV was trying to create a total law school faculty. She reported that many untenured, junior faculty, middle associate professors, and several senior faculty with national reputations to mentor the junior faculty and create the curriculum had been hired. She said that the law professors had all been tenured at the schools from which they were coming and were virtually all full professors. She said that UNLV could not have hired them without providing tenure.

Regent Gallagher moved approval of Consent Agenda item #3 (Appointment With Tenure, UNLV). Regent Alden seconded.

Regent Kirkpatrick asked about the number of professors and full professors for the law school. Provost Ray Alden replied there were 41 professors in the law school; 16 were hired with tenure and 1 was promoted since the last Board meeting. He related that it equated to a 30-40% tenure rate, which was quite low for a law school.

Regent Rosenberg noted that these hires were coming from Yale and Harvard. He observed that he usually opposed tenure with hire, but felt that tenure was merited in this circumstance. President Harter stated that UNLV was building a first-class law school. Dr. Bill Robinson stated that the faculty from those departments fully supported the hires.

Motion carried.

8. Approved-Hire of P.E.R.S. Retirees, GBC & UNLV - Under Assembly Bill 555, passed during the 2001 Legislature, the Board of Regents must approve requests made by System institutions to hire persons who have retired under the Public

Employees Retirement System. A process by which the campuses may make such requests was developed by the Chancellor's office in November 2001. Great Basin College submitted two requests and UNLV submitted one request for the Board's consideration, which were reviewed by the UCCSN Director of Human Resources and the Chancellor. (Ref. B on file in the Board office.)

Regent Hill moved approval of the hire of P.E.R.S. retirees for GBC and UNLV. Regent Seastrand seconded.

General Counsel Ray asked that the motion reflect the finding of a critical labor shortage in a particular job position.

Motion amended to include, "due to the finding of a critical labor shortage in a particular job position." Motion carried.

9. Information Only-2002-2003 Salaries, System Executive Officers - Board policy (Title IV, Chapter 3) requires that salaries for System executive officers be recommended by the Chancellor to the Board for consideration and approval over two consecutive meetings. The Chancellor will provide her recommendations for information only at this meeting and will request action at the August 2002 Board meeting. (Ref. C on file in the Board office.)

Chancellor Nichols reported that proposed merit for her executive staff was included with the reference. If an individual's name was not listed, they were likely ineligible for merit due to their length of service. She reported that the merit was not a percentage amount, but rather a dollar amount.

Regent Howard requested clarification between an increase in pay and merit. Chancellor Nichols replied that merit was based upon an annual evaluation of a professional employee, which then became part of the base salary, but was not a bonus, and did constitute a pay raise. She related that it was a discretionary decision for professional employees in terms of their performance. Regent Howard asked if they were granted annually. Chancellor Nichols replied that every part of the System had their own policies and criteria for merit. In the System office, an employee must be employed for one year (over 6 months) to be considered for merit. She related that merit was recommended on the basis of their evaluation.

10. Information Only-2002-2003 Salaries for UCCSN Institutional Executive Officers - Board policy (Title IV, Chapter 3) requires that executive salaries be set using a designated process of recommendation and review. Salaries for deans are recommended by campus vice presidents and approved by the president. Salaries for vice presidents are recommended by the presidents and approved by the Chancellor. Chancellor Nichols will provide the 2002-2003 salaries for deans and vice presidents for information to the Board. These salaries become effective July 1, 2002. (Ref. D on file in the Board office.)

Chancellor Nichols related that the item would not come back to the Board for action.

Regent Kirkpatrick asked about a typographical error on Paul Ferguson, UNLV. He related there was no merit increase indicated, but the reference material indicated a \$20,000 increase in pay. President Harter replied that Dr. Ferguson had been promoted. Provost Alden reported that, while retaining his duties as Dean of the Graduate School, Dr. Ferguson was also assuming new duties as Sr. Vice Provost and Chief of Staff in the Provost's Office. He is leading the accreditation process for the dental school, the restructuring of Continuing Education, and a number of additional responsibilities. Regent Kirkpatrick felt that it should have been indicated in the report.

President Remington reported that Dr. Robert Anderson did not qualify for merit because of his January start date.

Regent Sisolak asked about the amount of money available for merit increases. President Harter replied that, after careful review, it was determined that 2½% was all that was available for the merit pool. She indicated that the entire 2½% available had not been expended. Regent Sisolak asked about the dollar amount associated with the 2½%. President Harter replied that UNLV spent less than they could have. Mr. Tony Flores, Vice President, Finance-UNLV, replied that he did not have the information, adding that his associate, Mr. George Scaduto, had just stepped out of the meeting.

Chancellor Nichols stated that no state dollars were received for merit for administrators at the dean level or above. She related that the state did not provide money for administrators. The campuses use a calculation to determine a merit pool. Regent Sisolak asked about the source of funds. President Harter replied that they usually used vacancy savings.

Chair Dondero noted that the salaries would become effective July 1, 2002.

11. Approved-Vice President, Academic Affairs, CCSN - The Board approved the appointment of Dr. Robert Palinchak as Vice President for Academic Affairs. The position start date is July 1, 2002, with a salary of \$129,500. (Ref. E on file in the Board office.)

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

President Remington reported that Dr. Palinchak had previously served as Vice President and President of a community college. Dr. Remington urged Board approval, as Dr. Palinchak was still interviewing for other jobs.

Motion carried.

12. Approved-Vice President, Finance & Administration, CCSN - The Board approved the appointment of Ms. Patty Charlton as Vice President for Finance & Administration. The position start date is July 1, 2002, with a salary of \$120,000. (Ref. F on file in the Board office.)

President Remington recommended the appointment of Ms. Patricia Charlton as the Chief Financial Officer for the CCSN campus and expressed his hope for Board approval.

Regent Howard moved approval of the appointment. Regent Gallagher seconded.

Regent Kirkpatrick stated that he could not support the recommendation, adding that he was unhappy about disapproving the president's recommendation, and that he did not intend to micromanage. He acknowledged that Ms. Charlton had done a fabulous job at CCSN. Regent Kirkpatrick reported that, for the past 3-4 years, a negative atmosphere developed at the college prior to President Remington's arrival. He related that the Board had charged Dr. Remington with turning the college around. Regent Kirkpatrick stated that CCSN utilized emergency hiring for permanent positions in order to circumvent System hiring practices. Some people's salaries increased drastically over a 3-4 year period. There were illegal bonus payments, as well as selective hiring and dismissal practices. Additionally, there was inappropriate use of college equipment, nepotism and favoritism.

Chair Dondero cautioned Regent Kirkpatrick that his comments were off the subject. General Counsel Ray stated that it would not be appropriate to discuss other individuals. He said that Regent Kirkpatrick's remarks were beyond the scope of the agenda item and asked him to tie his remarks back to the specific agenda item. Regent Kirkpatrick noted that CCSN had hired someone with a felony conviction, who subsequently was convicted of a misdemeanor theft from the college. General Counsel Ray stated that Regent Kirkpatrick's remarks were beyond the scope of the agenda item. Chair Dondero reminded Regent Kirkpatrick about the attorney's warning. Regent Kirkpatrick stated that he was concerned about changing the negative environment at the college. He noted that the Attorney General's report indicated that, during 1997-98, over 900 contracts did not follow System and State procedures for outside bidding. He noted that Ms. Charlton had been the Director for Budget Services during this time period. He observed that CCSN improperly reported FTE for apprenticeship programs resulting in a \$1-\$4 million/semester gain for the college over a 5-year period.

Regent Kirkpatrick asked whether he could discuss academic dishonesty. General Counsel Ray asked how it related to the individual under discussion. Regent Kirkpatrick replied that it did not and agreed to let it go. He said that he was bothered by the knowledge that CCSN sold grades. Chair Dondero stated that it was not the current situation. Regent Kirkpatrick felt it was important for UCCSN to hire the most qualified individuals, and especially important when hiring the Chief Financial Officer. Upon reviewing Ms. Charlton's background and training, he felt she was not qualified for the position because she did not have the appropriate academic requirements or background. He was bothered that President Remington attributed Regent Kirkpatrick's opposition to Ms. Charlton (and others) because they are women, adding that he had long been a supporter of women. He related that he had also opposed male candidates when he felt they were not qualified for their positions. He noted that Ms. Charlton's educational background was in Management Information Systems. He reviewed her employment history with CCSN, noting that she only had one year of experience in managing finances and budgets. He then discussed two major budget problems at CCSN in which Ms. Charlton had a great deal of input. A \$7 million budget shortfall occurred due to a mistake in computing the number of FTE. Another incident involved the transfer of significant funds to athletic programs. He felt that Ms. Charlton should have made it known that the transfer of funds was occurring, especially since the Board mandated that no state money be used for athletic programs. He was disturbed that the position announcement did not require at least a master's degree and five years of high-level management experience. (Regent Kirkpatrick then began to hand out another candidate's resume).

Regent Hill noted a point of order. Chair Dondero stated that Regent Kirkpatrick's remarks did not pertain to the item. General Counsel Ray established that the resume belonged to a finalist for the position and asked the Board not to discuss another individual under this agenda item, as the individual had not been given any notice. Regent Kirkpatrick stated that he had contacted the individual and discovered that he was still interested in the position. Regent Kirkpatrick stated that he wanted to compare their experience. He noted that the individual had a bachelor's degree in Accounting and an MBA. He previously served as a Controller and a Vice President for Finance. For the last 10 years, he had been the Chief Financial Officer at the University of Texas, El Paso. Regent Kirkpatrick observed that the individual was also a minority. He felt that highly qualified minorities should be hired, adding that this candidate was more qualified than the recommended internal candidate. Regent Kirkpatrick stated that the individual presented himself well with the faculty and was articulate. He said he could not support the appointment of Ms. Charlton, adding that the college should be looking for the very best person possible. He asked Board members whether they would hire Ms. Charlton to manage their own business' funds.

Regent Hobbs asked about the process used to select the candidates. President Remington introduced the search committee leader, Dr. Chris Kelly, and committee member, Ms. Carolyn Collins. He clarified that the committee developed the qualifications for the candidate and that the search was extended to increase the pool of applicants from 17 to 52. He affirmed that the college did not provide an easier path to the position for the internal candidate. Dr. Chris Kelly stated that he was the elected chair of the faculty senate-appointed search committee. All members of the committee were aware of the

importance of this position. He said they fully supported the process that resulted in a unanimous recommendation for Ms. Charlton. The process included credential reviews, philosophy statements, reference checks, interviews, and forums. One clear, top candidate emerged: Ms. Charlton. He respectfully requested the Board to approve the committee's recommendation.

Regent Hobbs asked about the initial process, the process for elimination, and the recommendation to the president. Ms. Collins replied that the search was extended to provide the broadest pool of candidates possible. The committee chair and the personnel office reviewed the 52 applications to ensure that applicants met the minimum requirements for the position. The pool was then reduced by a few, non-qualified applicants. A credential check was performed on the remaining candidates. Each committee member individually assessed and ranked the candidates. A natural break occurred at 11. The top 11 applicants comprised the final pool of applicants. Letters were sent to the candidates requesting philosophy statements about the position. Telephone reference checks were also conducted with a standard list of questions reflecting the multiple criteria for the position. Committee members independently voted on the top candidates to interview. Six candidates were interviewed. Three names were sent forward to the president (prioritized), though President Remington requested an un-ranked list. Presidential interviews and faculty forums were held with the top three candidates. She reported the committee unanimously supported Ms. Charlton as the best candidate for the institution, adding that the president came to the same conclusion.

Regent Hobbs asked whether President Remington accepted the committee recommendation, made his own decision to choose Ms. Charlton, and would accept complete responsibility for her performance. President Remington replied that all of the presidents recognize their responsibility for their entire institutions. He said that he would not want to put anyone in a position they could not accomplish. He felt that her performance for the past 14 months justified the decision, adding that she interacted well with other employees. He acknowledged that Regent Kirkpatrick preferred people with more experience and more degrees. He felt that Ms. Charlton was uncommonly talented with a great work ethic, interacted well with faculty and staff, and represented the institution well, adding that he was proud to have the Board consider her for the position.

Regent Alden stated that the Regents were a policy-making Board and they selected presidents with the advice and consent of the Chancellor. He did not feel that Board approval of vice presidents was necessary, adding that he would suggest elimination of the requirement. He said that he would support the president's recommendation and urged Board support.

In answer to Regent Kirkpatrick's question about hiring Ms. Charlton, Regent Gallagher stated that she had always felt that a young, qualified candidate should be given the chance. She felt that Ms. Charlton could make a positive contribution to the college and agreed that it was the president's decision.

CCSN faculty senate chair, Dr. Joan McGee, stated that the faculty overwhelmingly supported Ms. Charlton, adding that she was already doing the job. She observed that Ms. Charlton went out of her way to accommodate faculty requests. She advised the Board to trust the process and the committee recommendation, as well as the president's. She observed that no one wanted a poor candidate in the job. She related that an objective committee, with a process to follow, had selected the best candidate: Ms. Charlton.

Chair Dondero called for the vote.

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

13. Rejected-Reimbursement, Interim President Salary, NSC - The Board discussed whether System Administration should be reimbursed for the amount of \$44,385.67 for Dr. Chris Chairsell's salary from March 7 to June 30, 2002, by Nevada State College and decided against repayment.

Regent Hill moved approval of the repayment of \$44,385.67 for Dr. Chris Chairsell's salary from March 7 to June 30, 2002 in equal installments over a period of 4 years. Regent Rosenberg seconded.

Regent Derby stated that she was opposed to the repayment, noting that the Board often chose to support worthy campus activities with System funds.

Regent Alden felt that repayment was bad public policy, adding that the campuses comprised a system and a team. He felt that Nevada State College was important and he would not support the motion.

Regent Rosenberg observed that System funds were used for presidential searches with no requirement for payback. He felt the motion would set a very bad precedent.

Regent Gallagher requested a recommendation from the Chancellor. Chancellor Nichols replied that it was a difficult issue with valid arguments on both sides. She related that System funds and staff time were used for the CCSN Organizational Advisory Committee. Staff time was also used to create the budget for the new state college. She related that the college was operating with and expected to start with private funds and non-state sources. Money would have been raised and paid

from non-state sources if someone other than Dr. Chairsell had accepted the position. She related there would always be occasions to use System resources to help individual campuses. She did not object to asking the college to repay this using non-state sources. Regent Gallagher stated that, if the Chancellor had no objections, she didn't either. She recalled the previous provision of administrative staff recommendations for agenda items, and requested the procedure be reemployed.

Regent Sisolak stated that the issue arose from an Investment Committee meeting. Due to low investment returns, System Administration and the campuses will be receiving less funds. He was concerned about being fair to every campus. A percentage of the investment pool would be used to pay the salary in a year when private funds were to be used for the college.

Upon a roll call vote, the motion failed. Regents Hobbs, Howard, Kirkpatrick, Rosenberg, and Sisolak voted yes. Regents Alden, Derby, Dondero, Gallagher, Hill, and Seastrand voted no.

The meeting recessed at 4:00 p.m. and reconvened at 4:17 p.m. with all members present except Regent Kirkpatrick.

14. Approved-Handbook Revision, Distribution of Student Fees, School of Medicine, UNR - The Board reviewed the action previously taken in relation to the distribution of the Capital Improvement portion of the School of Medicine fees in light of new information provided on institutional flexibility. (Ref. G on file in the Board office.)

President Lilley clarified that a portion of SOM student fees were dedicated to the retirement of the Fire Science Academy debt (\$18/year of Capital Improvement Fees currently paid by SOM students).

Regent Rosenberg moved approval of the distribution of student fees for the School of Medicine, UNR, dedicating \$18/year for the retirement of the Fire Science Academy debt. Regent Seastrand seconded.

Regent Sisolak felt that it was only fair that everyone, including the medical school, shoulder some of the burden.

Regent Alden established that the duration of the reallocation would be until the FSA debt was paid in full. He asked whether the reallocation affected other budgetary constraints or expenditures. Vice President, Administration & Finance-UNR, Dr. Ashok Dhingra, replied it would not. Regent Alden established that Vice Chancellor Miles had reviewed the proposal.

Motion carried. Regent Hill voted no. Regent Kirkpatrick was absent.

15. Approved-Handbook Revision, Distribution of Student Fees, Boyd School of Law & School of Dentistry, UNLV - The Board approved the distribution fee schedule (Title IV, Chapter 10, Sections 14-15) be changed to make the fee distribution for students at the School of Law and the School of Dentistry consistent with the distribution for a graduate student taking 14-15 credits, (Ref. H on file in the Board office) but took no action.

President Harter reported that Board action would make the distribution of fees exactly the same across the professional schools.

Regent Alden moved approval of the distribution of student fees for the Boyd School of Law and School of Dentistry, UNLV. Regent Howard seconded. Motion carried. Regent Kirkpatrick was absent.

16. Information Only-Handbook Revision, Institutional Graduation Dates - The Board reviewed and discussed projected graduation dates for the institutions and considered any policy that may be needed in relation to setting these dates. (Ref. I on file in the Board office.)

Regent Howard stated that she enjoyed attending each of the institutions' graduation ceremonies in the past, and was disappointed that some were scheduled on the same date.

Regent Alden suggested that Board members could alternate their attendance when commencement exercises were scheduled for the same day.

Regent Rosenberg stated that he really enjoys graduation, adding that he knew how difficult it was to schedule the ceremonies. He related that, since the universities have two ceremonies each, he could attend one institution's in the morning and the other's in the afternoon. He noted the need to make the ceremonies convenient for the students and their families. He observed that there were instances when family members graduated from separate institutions on the same day. President Harter stated that when family members graduated from different institutions on the same day, the presidents had agreed to offer the degree on behalf of the other institution at the location chosen by the family. She noted that UNLV had 3 such cases this Spring.

Regent Howard observed that it did not solve the problem for allowing Regents to participate, adding that she believed the students expected the Regents to be there at a very important time in their lives. She asked what could be done.

Regent Derby stated that Board members attempted to ensure that a sufficient number of Regents was present at each ceremony. She observed that past efforts to hold ceremonies on different dates had been met with frustration (i.e. Mother's Day). She suggested Regent Rosenberg's approach as another alternative.

Regent Gallagher lamented the lack of Regent presence at commencements. She felt that graduation was the time when Regents realized why they were doing this job, and encouraged Board members to attend some of the ceremonies.

UNLV Student Body President, Ms. Monica Moradkhan, said that she appreciated the Board's enthusiasm. She related that it was a time for the students, families, and friends. She stated that graduations held on Sunday were most difficult to staff. She assured the Board that students would understand that all Regents might not attend all ceremonies.

17. Approved-Handbook Revision, Student Military Mobilization/Activation for UCCSN Institutions - The Board approved the student military mobilization/activation policy adopted for one year by the Board at the October 18-19, 2001 meeting become permanent policy for all UCCSN institutions (Title IV, Chapter 16, Section VI). (Ref. J on file in the Board office.)

Regent Seastrand moved approval of the student military mobilization/activation policy for UCCSN institutions. Regent Hill seconded.

Vice Chancellor Curry explained that this was the same policy passed at the October 18-19, 2001 meeting. After a scheduled review and discussion within Student Affairs Council, staff recommended the policy be extended and made permanent policy. He said that it addressed key issues including: student academic issues, grades, class standing, room and board for family members, and text book disposition.

Motion carried. Regent Kirkpatrick was absent.

18. Approved-Handbook Revision, UCCSN Code, Exhaustion of Leave - The Board approved the final hearing on an amendment to the UCCSN Code (Title II, Chapter 5, Section 5.9.3) pertaining to exhaustion of leave. (Ref. K on file in the Board office.)

General Counsel Ray explained that this was the second reading of a Code amendment. At the April 2002 Board meeting, the Board modified extended sick leave provisions. When someone has doctor certification that they are unable to return to work and has exhausted all leave, the individual can be terminated without using Chapter 6 proceedings.

Regent Hill moved approval of Handbook revision regarding exhaustion of leave. Regent Gallagher seconded. Motion carried. Regent Kirkpatrick was absent.

19. Approved-Handbook Revision, Residency & Tuition Waivers for Native American Students - The Board approved Handbook revisions on residency and tuition waivers for Native American students by adding a new subsection 15 to (Title IV, Chapter 15, Section 4); by amending (Title IV, Chapter 18, Section 4.1); and by deleting subsection 4 of (Title IV, Chapter 18, Section 4). (Ref. L on file in the Board office.)

General Counsel Ray explained that the proposed policy would clarify previous Board action from 1992 and would eliminate the possibility of charges of violation of federal laws relative to discrimination. In 1992, the Board approved a request to waive out-of-state tuition for Native Americans, but implementation was not clear. The proposed amendment to residency policies would provide that Native Americans residing on tribal lands overlapping with Nevada (i.e. Arizona) would be qualified as residents for tuition purposes. He concurred with the legal opinion from former Board Counsel that it would not be a race-based determination, but rather due to the limited sovereignty of Native American nations, where they could be treated as a resident of another state. He recommend Board approval.

Regent Hill established that "tribal lands" specifically meant federally-granted tribal lands.

Regent Hill moved approval of the tuition waivers for Native American students. Regent Rosenberg seconded.

Regent Derby spoke in favor of the motion, adding that she was on the Board in 1992 when the Board tried to encourage diversity in the System. She felt it was a good policy.

Regent Gallagher stated that the former president of the Navajo Nation asked that Navajos be excused from out-of-state tuition. She did not recall how other Native Americans were handled. General Counsel Ray replied that he was not there at that time. A review of Board minutes and the opinion from former General Counsel revealed that concern was raised that it could be a race-based determination. There was confusion in how to implement the policy. System staff felt that this was the best way to handle the situation.

Vice Chancellor Curry stated that this had been reviewed and was supported by the Student Affairs Council. He related that the General Counsel's office had been very helpful in reviewing past Board actions.

Regent Howard asked whether the policy included all tribes. General Counsel Ray replied that it did. Those tribes living on reservations located partially in Nevada and another state would receive out-of-state tuition waivers. Each nation will be treated as a separate state, so any Native American would be eligible for consideration.

Motion carried. Regent Kirkpatrick was absent.

20. Approved-Handbook Revision, Tuition & Fee Refunds in Exceptional Circumstances - The Board approved Handbook revisions (Title IV, Chapter 17, Section 8) dealing with refunds to students in exceptional circumstances. (Ref. M on file in the Board office.)

Regent Rosenberg moved approval of tuition and fee refunds in exceptional circumstances. Regent Gallagher seconded.

Vice Chancellor Curry reported that the Student Affairs Vice Presidents had discussed this issue extensively. They felt it would be prudent to make the policy uniform across the UCCSN since students move from one institution to another. This recommendation suggests that there are circumstances that warrant institutional flexibility.

Motion carried. Regent Kirkpatrick was absent.

21. Approved-Handbook Revision, Refund Policy, NSC - The Board approved the refund policy for Nevada State College at Henderson. Currently, NSC does not have a refund policy in the Board of Regent's Handbook, (Title IV, Chapter 17, Section 8). In order to administer refunds to students, it is important that a written policy be approved and included in the Regents' Handbook. (Ref. N on file in the Board office.)

Regent Alden moved approval of the refund policy for NSC. Regent Derby seconded.

President Chairsell reported that the action would bring the campus into compliance with the Regents' Handbook.

Motion carried. Regent Kirkpatrick was absent.

22. Approved-Handbook Revision, Bylaws Amendment, DRI - The Board approved an amendment to the DRI Bylaws (Title 5, Chapter 2, Section 2.2.10 Promotion and Appointment Committee). (Ref. O on file in the Board office.)

President Wells reported the change would more actively affect DRI's diversity and would include Rank III's and a Center Director to the committee that advises the president on promotions. He said the faculty senate unanimously supported the measure.

Regent Hill moved approval of the DRI Bylaws amendment. Regent Gallagher seconded. Motion carried. Regent Kirkpatrick was absent.

23. Approved-Handbook Revision, Advisory Boards & Committees - The Board approved the deletion of (Title IV, Chapter 1, Section 6) in the Board of Regents' Handbook related to institutional advisory boards and committees (Ref. P on file in the Board office.)

Chancellor Nichols reported that System staff brought this item forward in an effort to clarify Handbook language that had evolved over time. The current policy could be interpreted that all advisory boards and committees require Board approval. Each institution has 12-40 advisory committees. This action would require that all advisory committees to the president would require Board approval.

Regent Rosenberg moved approval of the Handbook amendment regarding advisory boards and committees. Regent Derby seconded.

Regent Alden asked why presidential advisory committees required Board approval. Chancellor Nichols replied that, historically, the Board had wanted to know who was advising the institutions' presidents. She agreed that approving the membership of a board with no authority was not required, adding that the Board could eliminate the requirement. Regent Alden suggested elimination of the provision.

Motion and second withdrawn.

Chancellor Nichols suggested that the Board could make a motion to delete section 6 (Advisory Boards and Committees) from the Handbook and the campuses would no longer bring forward the names of advisory board committee members for Board approval.

Regent Derby moved approval of the removal of (Title IV, Chapter 1, Section 6) in the Board Handbook regarding advisory boards and committees. Regent Rosenberg seconded.

Regent Gallagher requested presidential feedback. President Harter said she was pleased.

Regent Seastrand asked whether General Counsel objected to the deletion. General Counsel Ray had no objection.

Regent Howard asked how long the policy had been in place and why it was needed. Chancellor Nichols replied that the policy was last amended in 1997. Regent Howard asked why it was being deleted if it had been necessary in prior years. Chancellor Nichols replied that these committees had not been brought to the Board since 1997.

Regent Sisolak asked whether the deletion would require two appearances. General Counsel Ray replied it would not.

Motion carried. Regent Kirkpatrick was absent.

24. Approved-Medical Malpractice Insurance - During the April 18-19, 2002 Board of Regents' meeting, UNR sought and received approval to seek additional funding from the State Interim Finance Committee to pay for the anticipated increases in the cost of medical malpractice insurance. The State Board of Examiners met on June 11, 2002 to consider this request and the State Interim Finance Committee met on June 18, 2002 to consider this request along with the recommendations of the Board of Examiners. The Board of Regents, taking into consideration the action of the Interim Finance Committee, took action regarding the options available to the medical school for malpractice insurance coverage and the sources of funding for the payment of malpractice insurance.

President Lilley stated that UNR was delighted with the progress made in this area. He expressed his gratitude for the Chancellor and her staff's work as well as that of the Governor and his staff's role. He reported that UNR would be able to cover their malpractice insurance. He noted that it takes awhile to get all 400+ doctors certified, adding that it had been accomplished.

Regent Alden moved approval of the item. Regent Rosenberg seconded.

Regent Rosenberg asked whether the insurance included tail coverage. President Lilley replied that it did.

Vice Chancellor Miles suggested that the motion should include the fact that it was a motion to comply with the actions of the IFC, which was to approve the expenditure from the Estate Tax account.

Motion amended. Regent Alden moved approval of complying with the actions of the IFC to use Estate Tax funds to cover the medical malpractice insurance costs. Regent Rosenberg seconded.

Regent Seastrand requested an update of the Estate Tax account. Vice Chancellor Miles replied that UCCSN had legislative authority to spend approximately \$75 million in Estate Tax funds for the biennium. The projected ending balance for 2003 at the last Investment Committee meeting was \$80.7 million. He recalled that the Board had agreed to try to endow that balance and, from then on, only spend the statutory limit of \$2.5 million/year. He reported that the projection was currently higher with a projected ending balance of \$81.4 million. He stated that a minimum of \$71,500,000 was required to maintain the \$2.5 million/year in expenditures. He reported there were sufficient funds to cover the medical malpractice insurance expense for one year, as well as the previously approved amount for CCSN. Vice Chancellor Miles reported that the estimate was based upon a zero return rate.

Regent Gallagher asked whether legislative action would be required to change the \$2.5 million/year requirement. Vice Chancellor Miles replied that the legislature would need to change the law.

Motion carried. Regent Kirkpatrick was absent.

The meeting recessed at 4:55 p.m. and reconvened at 8:05 a.m. on Thursday, June 20, 2002 with all members present except Regent Kirkpatrick. Regent Sisolak participated by telephone.

1. Information Only-Personnel Sessions - (Cont'd.) The Board held a closed personnel session.

1.1 Approved-Closed Session - In compliance with NRS 241.030, closed sessions were held for purposes of discussion of the character, alleged misconduct, professional competence, or physical or mental health of certain executive employees of the UCCSN.

Regent Rosenberg moved approval of moving to a closed personnel session. Regent Seastrand seconded. Motion carried. Regent Kirkpatrick was absent.

The meeting recessed at 8:07 a.m. and reconvened at 9:00 a.m. with all members present except Regent Kirkpatrick. Regent Sisolak participated by telephone.

1.2 Information Only-Return to Open Session - The Board returned to open session.

Responding to an earlier question, President Harter reported that UNLV generated \$65,000 and spent \$56,000 for merit.

25. Approved-Operating Budget Priorities, 2003-2005 - The Board reviewed and approved a revised set of operating budget priorities for the 2003-2005 UCCSN budget request. The final discussion included a review of projected enrollments. Final action on the 2003-2005 operating budget will occur at the August meeting. (Bound Report on file in the Board office.)

Chancellor Nichols reported that the Board would finalize the preliminary budget, as most of the figures were estimates since they did not have the final figures from the campuses. She stated that the final figures would be presented in August with greater detail. She explained that changes could still be made at the August meeting. She then began her presentation.

Enrollment Projections

The new Master Plan demonstrates phenomenal demographic pressures on the UCCSN in the immediate future and over the next decade. Student enrollments are projected to increase 21.6% by FY05. Historical data show the dramatic trends: The community colleges have grown by 113%, the universities have increased by 35% (low due to a change in the formula), and System-wide growth at 63%. FTE indicates actual workload (students in class). Growth indicators in 2000 are attributed to the advent of the Millennium Scholarship. An encouraging trend in the comparative changes in headcount enrollment and annual average FTE from 1990-2001 revealed that students are taking more credits per student. Those students are more likely to be successful, to be retained, and achieve their academic goal. Nevada incurred a 74% increase in population while headcount increased only 47%. UCCSN has not kept pace with state growth and the percent change in headcount per population is actually down 16%. UCCSN is working hard to encourage students to go directly from high school to college. The Master Plan indicates that, if UCCSN does not get more funding to educate students, it will be forced to cap enrollments at 2001 levels. If modest budget maintenance enhancements are received, UCCSN could maintain current participation rates. The budget presented assumed increasing college participation.

Why Participation Rates Matter

A new study of educational attainment and state economic welfare indicates the following positive outcomes of higher education:

- Per capita income tends to be highest in states with the highest proportion of bachelor's degrees.
- States with a higher proportion of adults with bachelor's degrees tend to have higher median household incomes.
- Poverty rates are consistently lower in states with higher numbers of adults with at least a bachelor's degree.
- The proportion of a state's population age 16 and older that is employed is higher in those states with a larger concentration of bachelor's degree holders.

Chancellor Nichols reported that the key issue was trying to improve the quality of life and the economic situation in Nevada by enrolling more Nevadans in higher education. She indicated that UCCSN educates more students than they are funded for. UCCSN's budgeted enrollment for FY02 was 48,656. UCCSN actually enrolled 49,949 students. It is estimated that UCCSN will enroll 4.1% more students than budgeted for FY03.

Historical Share of State Budget Appropriations

Chancellor Nichols reported that UCCSN's historical budget appropriations ranged from an 18.3% share (1994-95) to a 20.0% share (1992-93) of the state budget. Even though many institutions are in a hold harmless situation, the state did not have adequate funds with which to fund higher education in the last biennium (2002-03=18.9% share).

Source of Funds: Operating Budget, 1999-2003

In the last two biennia, approximately 69.58% of UCCSN operating funds came from the State General Fund; 20.36% came from tuition and fees; 6.16% from the Estate Tax fund; and 3.9% from other sources. The Board is recommending that Estate Tax use be eliminated which will cause the portions of General Fund and tuition and fees to increase.

Tuition Revenues Increased

Students are contributing their share through higher tuition and fees in the 2003-05 biennium. Percentage increases range from 3.85% (community college students) to 7.48% (university graduate students) for each year of the biennium.

Governor's Budget Process

- 1) Request Base Budget.
- 2) Request "Caseload" Growth (student enrollment growth).
- 3) Request New Initiatives & Programs (Enhancements - if funds available).

Chancellor Nichols read a letter from Governor Guinn into the record (on file in the Board office). Governor Guinn urged everyone to do their part in a time of flat budgeting and acknowledged that it was difficult and painful work to meet the needs of a rapidly growing state. He requested a reasonable budget request from UCCSN while acknowledging that UCCSN's resource needs go beyond the level of funding available from the state.

Vice Chancellor Dan Miles discussed the general UCCSN budget categories:

- Base Budget Request.

- Adjusted Base Budget:
 - Automatic adjustments for professional/classified merit, rent/lease/contractual agreements, and DRI's weather modification program.
- Maintenance/Growth:
 - Caseload Changes (enrollment growth).

He reported that the numbers presented were preliminary and the campuses would review the figures in great detail to ensure the accuracy of the base budget. The base budget is adjusted to include professional merit salary increases. UCCSN is allowed to request a pool of merit money in each account equaling 2½% of the professional salaries (for positions below the level of dean). The state does not participate in the cost of merit increases for higher-level administrators. Classified employees move on a salary schedule established by the state. He reported that System Administration was attempting to include DRI's weather modification program into the base budget rather than request funding separately from a contingency fund. Maintenance/Growth is addressed by taking the last 3 years of actual enrollment (weighted) to determine future enrollment growth requests. UCCSN will be asking for substantial new money to cover enrollment growth over the next two years. System staff is also attempting to increase the percentage funding to a level sufficient to move all campuses out of hold harmless conditions (approximately 86.5%). Approximately \$7.53 million is anticipated in operation and maintenance of plant-new space for the biennium. Growth driven costs in System Computing Services total \$10.67 million. Business Centers (north and south), long neglected areas, will request \$2.18 million in support costs. They have sustained no increases in staffing for a number of years. Library acquisitions totaling \$2.01 million will be requested for the UNLV law school (an accreditation issue) and to establish an initial library function for NSC. State law requires that cooperative extension services be provided to any county when requested. A \$160,000 request is included to extend cooperative extension services to Mineral County. An estimated \$5.77 million will be requested (Inflation /Mandates/Occupational Studies) to meet additional energy costs at each of the campuses. The budget office will adjust the figures for inflation. The State Department of Personnel is also interested in conducting an occupational study for police officers. The base budget and maintenance request totals \$1.26 billion over the biennium. The base budget recommendation is 23.1% higher than the FY01-03 biennium.

Cost Of Living Adjustment

Vice Chancellor Miles reported that UCCSN was seeking a 3% COLA for FY04 and 4% for FY05 (an additional \$40.6 million for the biennium) or at least the same amount as that of other state employees. The COLA request is forwarded separately from the System biennial budget.

Estate Tax Funding

Replacement of Estate Tax funding is not reflected in the budget total because it affects the revenue side of the budget, not the expenditure side.

Regent Howard asked what items were included under "other" (\$4.26 million) in the adjusted base/maintenance budget. Vice Chancellor Miles replied that the largest expense was for the School of Medicine. The Boyd School of Law and all statewide programs at UNLV and UNR are also included in that category. Regent Howard requested a breakdown of the expenses. Vice Chancellor Miles agreed to provide one.

Vice Chancellor Miles continued with his presentation. Replacement of Estate Tax funding remains a major issue for the UCCSN. \$75 million was spent during the current biennium. The Board adopted the Estate Tax Committee recommendation that Estate Tax expenditures be limited to \$2.5 million/year in FY03-05. If the funding level were increased (86.5%), some Estate Tax expenditures could be eliminated (i.e. hold harmless=\$13.69 million).

Financial Aid

Additional need-based aid will be provided from new student fees and will not be included in the state budget request. The projected amount of additional need-based financial aid generated in the upcoming biennium is \$2,243,590 (FY04) and \$4,790,894 (FY05).

Regent Hill observed that the System would be lucky to achieve what was proposed in the adjusted base/maintenance budget. Chancellor Nichols replied that, given what is known about revenue projections, it would be phenomenal if the state were able to fund the System request (\$1.26 billion) in addition to the COLA. Regent Hill noted there were other expenditures that would be required (i.e. The Patriot Act). He asked about federal ramifications for non-compliance. Chancellor Nichols replied that UCCSN must comply with federal mandates. The campuses would need to divert funds from student programs in order to meet those mandates. Regent Hill suggested forwarding the adjusted base/maintenance budget as presented (Page 1, Bound Report #25 on file in the Board office) plus footnotes for other mandates and leave everything else out. Chancellor Nichols agreed that the governor would be pleased with such a submission. She related that the governor also understood the issues UCCSN was facing. She stated that UCCSN could still submit a modest list of enhancements. She suggested the Board take action in two separate motions (approve base budget request and then approve the enhancement list).

Regent Seastrand moved approval of the UCCSN base budget request as presented. Regent Rosenberg seconded.

Regent Alden asked whether the budget presented addressed the governor's request for efficiency of operations and the elimination of duplicated efforts. Chancellor Nichols replied that it did, adding that each campus would provide a report of

what they have done to realize cost savings. The Master Plan requires that students share in the cost of their education, the UCCSN realize more cost savings and efficiencies in order to better fund its operation, and UCCSN asks the state to contribute their fair share. Regent Alden asked about the delivery cost of operations at the university level, the community college level, and the state college level. He felt it was key for the System to prove to the legislature that UCCSN was making good utilization of classrooms and labs as well as high credit hours delivered by professors. He felt the System would need to prove that it had performed an internal review and found a more economical method of delivery. He expressed hope that the base budget had considered those factors.

Regent Howard requested more information about the "other" category (Page 3, Bound Report #25 on file in the Board office totaling \$187.18). Chancellor Nichols replied that it included System Administration, the professional schools, as well as a long list of programs not funded by the formulas (i.e. statewide centers). Vice Chancellor Miles provided Regent Howard with a list of the programs. Chancellor Nichols related that it included the State Health Laboratory, the Agricultural Experiment Station, the law school, the dental school, and statewide programs at UNLV and CCSN. She explained that these were not enhancements, but rather the necessary modifications to keep pace with salaries, etc. The one exception was the \$0.21 million for law school library acquisitions. Chancellor Nichols explained that this item (Page 3, Bound Report #25 on file in the Board office) included essential modifications to continue operations (i.e. merit pool) and were basically salary driven, including the professional and classified staff.

Regent Gallagher asked whether the list of maintenance items was too large for acceptance. Chancellor Nichols replied that those items were growth-related and essential to continue operations. She related that Business Center South/Business Center North should have had a line item in past biennia, adding that this figure reflected some catch up. They will need to hire more people to handle more student records. She believed strongly that the SCS portion was clearly justified in order to continue operation. She explained that the System would not be able to handle student records without these enhancements. She felt that all items met the governor's definition.

Regent Rosenberg expressed concern for the System Computing Center, adding that if anything happened to the system UNR would be unable to operate. Chancellor Nichols stated that the governor might view it as an enhancement, but System staff felt it was a legitimate item.

Motion to approve the adjusted base/maintenance budget request (Page 1, Bound Report #25 on file in the Board office) carried. Regent Kirkpatrick was absent.

Chancellor Nichols reported that UCCSN was accommodating over 13% enrollment growth and felt it was a reasonable budget request.

Regent Seastrand asked whether the governor had discussed capped enrollments or the UCCSN growth rate. Chancellor Nichols replied he had not, adding that the governor was very supportive of expanding education in Nevada. Need-based financial aid was previously requested under enhancements, but was never funded. UCCSN is not requesting state funding for need-based aid this biennia, but has addressed it internally and with the students.

Enhancement Requests

Chancellor Nichols reported that the enhancement requests constituted the fourth major area of the UCCSN biennial budget. These are requests for new initiatives and programs that cannot be funded through reallocation of resources. All enhancement requests represent a benefit to the state and further the goals of the UCCSN Master Plan. The essential questions before the Board included:

- Do we eliminate any items on the enhancement list?
- Do we reduce the amounts? (Original campus requests already cut by \$126 million.)
- What priority order does the Board desire?

Chancellor Nichols reported that all enhancements were tied to Master Plan goals, adding that the Board would need to prioritize the list. The governor requires clear, concrete results that the state and/or students will benefit from the enhancements. She reported that enhancements had been grouped by purpose:

- Essential enhancements to continue current programs.
- Federal mandates.
- Economic development and diversification.
- Initiatives to address state needs.
- Adjustments to programs for equity/competitiveness, improvement, and growth.

She then itemized the enhancements in each category and identified which Master Plan goal was addressed.

Option #1 - Essential Enhancements to Continue Current Programs \$51,200,000

The top priority is an \$800,000 request for EPSCoR. A new National Science Foundation EPSCoR grant requires matching funds. She suggested using the \$2.5 million/year Estate Tax endowment for all EPSCoR costs (supplemented by \$0.1

million). Regent Seastrand expressed concern for limiting EPSCoR growth. Chancellor Nichols replied that System staff was assuming that only funds generated by the Estate Tax endowment would be spent. If the legislature chooses not to grant the budget request and expends all Estate Tax funds, there will be no funds for EPSCoR. By the FY05-07 biennium there will be no money for expenditures out of the Estate Tax except for proceeds from the endowment. She said the Board could request the establishment of an Estate Tax endowment and could indicate to the legislature that all proceeds would be spent on EPSCoR programs. As EPSCoR grows, additional funds could be requested from the state General Fund.

Regent Gallagher felt it was a good idea, adding that doing so would fund EPSCoR as well as highlight the need for retaining the endowment in order to produce this income. Chancellor Nichols observed that it would also reduce the amount requested from the state.

Chancellor Nichols reported that Option 1 also included a one-time request of \$7,150,000 (taxonomy formulas). She related that Senator Raggio had warned that he did not want UCCSN using the taxonomy study to inflate the cost of the formula. System staff is trying to keep the figure as low as possible. When the new formula was adopted, new methodology for categorizing courses (low, medium, high) was implemented. One serious problem is that community colleges do not have an 8:1 ratio for nursing programs. Courses are also categorized differently at the individual campuses. There are legitimate reasons for doing so, but it was perceived as problematic. A plan has been formulated to fix this. She stated that it was essential to protect the integrity of the formula. System staff felt that this item should have been included in the base budget, but was instructed to include it under enhancements.

Regent Howard asked whether there was a current inequity in the formula between the community colleges and the universities. Chancellor Nichols replied that UCCSN would have a difficult time justifying differential distinctions between courses at the community colleges and universities.

Regent Gallagher established that this would be a one-shot expenditure and would roll into future base budgets. Chancellor Nichols noted that UCCSN calculates the formulas at 100%, adding that the \$7 million figure had been calculated at 86.5%. She explained that, at 100%, they would increase the total cost of the formula by \$9-10 million.

Chancellor Nichols reported a \$5,000,000 request for dental school equipment. President Harter stated that the equipment was required for training dental students. Regent Gallagher asked about the initial total on the dental school equipment. President Harter replied that UNLV received no state dollars, but used \$2 million from land sales to pay for the equipment.

Chancellor Nichols reported an \$18,500,000 request for general equipment (non-formula). She said that it was a modest request given the needs of the campuses. She felt it was essential for the state to provide a system to accommodate equipment. Some equipment is funded through the new formula (i.e. desktop computers for new hires, some particular areas of instruction). The formula was only funded at 81%, so the campuses were forced to make tough decisions. This request is primarily for large equipment (servers, research equipment, laboratories, landscaping equipment, police cars, etc.).

Chancellor Nichols reported a \$10,050,000 request for technology support, adding that each campus would designate how the money would be used.

Chancellor Nichols reported a \$9,700,000 request for part-time faculty salaries that would increase the minimum salary paid to part-time faculty. The new minimum will be tied to the full-time faculty salary schedule and will be adjusted for COLA every year. One half of the minimum will be achieved in the first year of the biennium, with the full amount reached in the second year. This item will become part of the formula-driven base budget in subsequent years. She noted that if the institutions were funded at an adequate formula level, this item would not be necessary.

Regent Derby observed that the part-time faculty salary request was listed last on the list of enhancements. Chancellor Nichols agreed that the item was essential, adding that the items had not been prioritized. She and the presidents did not feel that the equipment request belonged at the bottom of the list. She related that it was merely their perception of the most essential items, adding that the Board could reorder the items. Regent Derby observed that the P-16 Council was not included with this option. Chancellor Nichols replied that it was a new program, adding that the option under discussion supported existing programs.

Regent Hill clarified that the list of essential enhancements to continue current programs (Option 1) represented her feeling for the level of importance. Chancellor Nichols replied that the Board could reorder the items.

Regent Hill moved approval of forwarding the Chancellor's list of enhancements to the Governor in the order presented (2003-2005 UCCSN Biennial Budget handout, Option 1, page 26, on file in the Board office) with the option to amend the list later. Regent Seastrand seconded.

Regent Derby asked what Regent Hill meant by "later". Regent Hill replied that it could be amended after his motion was voted upon. Chancellor Nichols stated that System staff required a sense of which enhancements the Board wanted to forward to the governor (if funding were available). Regent Derby asked about doubling the nursing capacity. Chancellor Nichols replied she was planning to review the entire list of options. Regent Gallagher objected to voting on the

enhancements at this point. She asked whether the Chancellor felt that UCCSN would receive such an extensive list of enhancements. Chancellor Nichols replied that there were many variables. It is unknown what the legislature will do with new revenue available to the state. The basic reason for spending those funds would be to accommodate growth. She acknowledged that money was not currently available to provide those services. Regent Gallagher asked whether the cost of some of the items could be reduced (excluding EPSCoR). Chancellor Nichols replied that they could, but all of the figures presented were much lower than what was actually needed. She explained that the part-time faculty salary adjustment could be reduced by phasing it in over four years. UCCSN could delay funding those items for future years. Regent Gallagher asked whether it was better to request the essential enhancements to continue current programs as presented or to reduce the request and implement over a period of 2-4 years. She felt that UCCSN would never receive such a large request. Chancellor Nichols replied that the list had already been reduced in order to submit a modest request, adding that the Board could reduce it further if they desired. She stated that the items most likely to be funded were those that produce a clear result for the state. She related that it was difficult to get equipment and technology funding, but it was absolutely essential to operation.

General Counsel Ray stated that a motion had been made and seconded. He recommended amending the motion if there was interest in changing dollar amounts or priority order.

Regent Derby asked that the Board not take action until the entire list had been reviewed. She felt there were important items (P-16 Council) not included in Option 1, adding that much could be accomplished with a small amount of money.

President Lilley observed that the governor's letter indicated a lack of funds, adding that UCCSN's request should be responsive to that. It will not be known if additional funds are available to fund enhancements until November 15th. UCCSN must have a reason for the business community to support more money for higher education. He related that the campuses had serious issues that could be addressed by the enhancements. In order to endow the Estate Tax fund, those enhancements are required. He suggested that the business community must have a reason to be involved.

Chancellor Nichols stated that items funded by the Estate Tax were part of the base budget and would continue to be funded, but by a different revenue source.

President Harter stated that one of the messages the enhancement list sends is that we believe that higher education is key to economic development and diversification. She recalled the major investments made to higher education in Georgia that moved Georgia to the top ten in economic and high tech development. Those investments included endowed chairs at the three major research institutions and significant infusions into research that resulted in economic movement. She cautioned that reducing the list of enhancements could prevent the institutions from functioning effectively.

Regent Alden agreed with Dr. Lilley and Dr. Harter. He advised Board members to listen to what Dr. Derby said, adding that sometimes a small amount could produce great results. He noted that, particularly in Clark County, K-12 is in distress, which creates further stress for the colleges and universities to provide remedial education. He felt the P-16 Council was an absolute requirement. He implored the Board, Chancellor and Presidents to support the collaborative that worked so well for Oklahoma.

Regent Howard asked about technology support enhancements, adding that federal and private funds were available for technology. She asked what was included in the request. Chancellor Nichols replied that it was a common perception, but there were no funds for building technology and supporting the costs of running technology. She stated that UCCSN has an increasing reliance upon technology, instruction, distance education, and normal day-to-day functioning. It requires a significant amount of maintenance money to build technology. UCCSN lags behind in infrastructure that would allow technology to operate well. President Lilley stated that it was just a utility. President Harter stated that UNLV had buildings not wired for Internet2. It costs \$400,000 to wire each building and UNLV has 77 buildings. She stated that it was a very small request compared to what was needed. Regent Howard said that she was referring to money for distance education courses for students. Chancellor Nichols stated that this was not the money for the courses, but rather money for the infrastructure so the courses could be delivered. President Harter stated that this money would help build the necessary studios required to offer distance education courses. President Lilley stated that it involved wiring buildings and was similar to other utilities (telephone, electricity, gas). He related that federal funding agencies expect the institutions to provide this modern-day utility. Regent Howard again asked about private and federal dollars. Chancellor Nichols replied there was no federal/private money available for this type of basic maintenance. Each institution has applied for grants in these areas, but UCCSN institutions are expected to have this infrastructure.

Regent Rosenberg noted a cost of \$115,000 to change one classroom into a "smart" classroom at UNR, adding that it was required in order to function at the necessary level.

Regent Derby clarified that Board acceptance of Option 1 would preclude sending forward items listed in other options.

Chancellor Nichols continued her review of enhancement options.

Option 2 - Federal Mandates \$4,930,000

The Patriot Act and other federal acts passed in reaction to September 11th contain requirements for the campuses (tracking

students, security). Research universities possessing biological materials will need to make changes and provide extra security. This might be funded from other sources.

Option 3 - Economic Development & Diversification \$28,990,000

In an effort to build a strong workforce for the state and respond to requests for providing strong research capability for technology transfer to support new businesses, the following items were requested:

- Indirect Cost Recovery - \$7,130,000.
- Graduate Assistant Enhancements - \$3,150,000.
- Research Chairs-matching - \$15,000,000.
- Workforce Centers-matching - \$3,000,000.
- Sponsored Research-System Administration - \$710,000.

Chancellor Nichols stated that these programs could make a tremendous difference for Nevada and have a proven track record across the country.

Option 4 - Initiatives to Address State Needs \$25,030,000

- Millennium Bound Center - \$680,000 (operating costs for 1 Center in the first year and 2 in the second year).
- Nursing Capacity - \$11,990,000 (legislative mandate; would phase out in 4 years as enrollment grew to support the cost of the programs).
- Law School Clinic - \$490,000 (essential to accreditation).
- Non-Formula Initiatives - \$11,090,000 (funds a variety of statewide programs meeting state needs including funding for program development in key areas).
- Vet Tech Programs - \$740,000.
- P-16 Council - \$40,000 (\$100,000 to launch entire program).

Option 5 - Equity/Competitiveness, Improvement, Growth \$4,970,000

- Athletic Fee Waivers - \$3,090,000 (Gender Equity; non-state funds; not included in enhancement total).
- Community College Athletic Programs - \$1,500,000 (\$1 million-CCSN Gender Equity; \$500,000-dependent upon Board approval of WNCC athletic program).
- System Administration Auditors - \$270,000.
- Associate Directory Veterinary Medicine - \$110,000 (federal Animal Welfare Act).

The potential enhancement requests totaled \$104,890,000.

Regent Alden offered a friendly amendment to modify the motion to submit all of the options in the priority order suggested by the presidents and Chancellor.

Regent Alden stated that more information would be available in August. Regent Hill related that Regent Seastrand had a different suggestion. He suggested submitting options 1, 2, 3, and the nursing program mandate. He disagreed with sending the entire list.

Regent Hill rejected the friendly amendment.

Regent Seastrand requested the Chancellor's advice regarding submitting the entire list. Chancellor Nichols replied that, if the entire list were submitted, the legislature might see something important to them. She related that doing so would put the governor in a difficult position, adding that he would not appreciate the Board passing on the necessity of making those difficult decisions to him. She said that she believed in every one of the items listed and advised the Board they would need to make it very clear that they did not expect all of the options to be funded. She related that this would help justify changing the tax structure in Nevada. Regent Seastrand asked whether the Chancellor recommended forwarding the entire list of options. Chancellor Nichols replied that it would be better to prioritize a shorter list for the governor.

Regent Seastrand did not accept the friendly amendment, but would agree to options 1, 2, 3, and the nursing program mandate.

Regent Seastrand suggested tying the remaining items to indirect cost recovery.

Regent Hill amended the motion to submit enhancement options 1, 2, 3, and the nursing mandate to the governor.

Regent Derby said that she could not accept the amended motion because it omitted critical items and worthy projects. Regent Rosenberg agreed.

Regent Alden said that he was trying to suggest acceptance of the Chancellor's and presidents' list of priorities. He again suggested submitting the entire list of enhancements (totaling \$104,890,000) in its existing order, adding that the Board should respect the wisdom of presidents and Chancellor Nichols.

Regent Howard stated for the record that she was unsure whether the Millennium Bound Outreach Center should be considered a special project or an enhancement. She agreed that presidential input was important. She also felt that System and community needs were important, as well as Board input.

Regent Gallagher feared that requesting \$104 million in enhancements would anger the legislature. She requested clarification on preparing a short list. Chancellor Nichols replied that the Board could select items from each option if they chose to. She related that each campus president would feel differently about the items selected. She clarified that the Board had a number of options available. They could change the amounts, the priorities, and/or the items in each option. She related that the presidents would be unhappy if the Board shortened the list, but the governor would be unhappy if they submitted the entire list. Regent Gallagher did not support submitting the entire list of enhancements.

Regent Hobbs concurred with Regent Gallagher. She felt it would insult the governor, who had asked for basic budgets and absolute requirements. She said the state did not have the money to support such a request.

Regent Sisolak noted that the summary of enhancement options 1-5 (page 35) did not add up. Chancellor Nichols replied that athletic fee waivers and indirect cost recovery were not included in the total because they were not state General Fund increases. Regent Sisolak noted that athletic fee waivers constituted a loss of state revenue. He disagreed that community college athletic programs and university athletic fee waivers constituted "adequate funding for higher education". He questioned the validity of the need. He recalled that past discussions about the dental school had claimed no cost to the state. He asked whether some of the items could be funded with vacancy savings. He felt the list was unrealistic and inappropriate.

Chair Dondero suggested holding the item and presenting a prioritized list at the next meeting. Chancellor Nichols stated that System Administration needed some direction from the Board at this meeting. She explained that they required sufficient parameters to assemble the budget request. She asked that some parameters be determined that day.

Regent Gallagher said that she could not support the current motion because it did not provide the direction necessary for the Chancellor and presidents to create a new list. She suggested requesting a prioritized list not to exceed a certain dollar figure and possibly selecting one or two items from each option.

Chancellor Nichols reported that Options 1-3 totaled \$85 million.

Regent Hill asked Regent Gallagher to suggest a figure. Regent Gallagher asked the Chancellor for a figure. Regent Rosenberg suggested \$50 million. Regent Derby suggested \$60 million. Regent Gallagher suggested \$55 million. Regent Hill suggested that staff prepare a prioritized list of enhancements totaling no more than \$55 million, plus the cost of the nursing program mandate. Regent Gallagher suggested reducing the request to \$25 million, plus the nursing program mandate.

Regent Derby suggested using \$55-60 million in addition to the nursing program mandate so as to include some special projects.

Regents Hill and Seastrand accepted the friendly amendment for \$55 million in enhancements, plus nursing program costs in a prioritized list prepared by the Chancellor and presidents.

Regent Howard expressed concern that the Millennium Bound Center being categorized as special projects. Chancellor Nichols replied that all of the items presented constituted enhancements. She stated that a prioritized list would be presented at the next meeting reflecting concerns expressed by Board members.

Regent Sisolak noted a point of order, asking whether the original motion had been completely amended. General Counsel Ray replied that it had. He clarified that the friendly amendment had set the amount of the enhancement list at \$55 million, plus the nursing program mandate, in a priority order.

Regent Howard noted that the Patriot Act was also a federal mandate. Chair Dondero replied that staff would provide a new list of enhancements at the next meeting.

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

Regent Seastrand asked whether the Chancellor had enough information to prepare the reprioritized list. Chancellor Nichols replied that she did. She reminded the Board that the EPSCoR request would be removed and included with the Estate Tax request.

Regent Hill noted that the legislature and governor would select from the Board's recommendation. He suggested showing the legislature the actual amount required.

Regent Gallagher clarified that the new list would be prioritized.

1. Information Only-Personnel Sessions - (Cont'd.) The Board held a closed personnel session

1.1 Approved-Closed Session - In compliance with NRS 241.030, closed sessions were held for purposes of discussion of the character, alleged misconduct, professional competence, or physical or mental health of certain executive employees of the UCCSN.

Regent Rosenberg moved approval of moving to a closed personnel session. Regent Hobbs seconded. Motion carried. Regent Kirkpatrick was absent.

Dr. Bill Robinson noted that the Board had not prioritized items in the base budget. Chair Dondero replied that it would be addressed in August.

The meeting recessed at 11:55 a.m. and reconvened at 1:08 p.m. with all members present except Regent Kirkpatrick. Regent Sisolak participated by telephone.

1.2 Information Only-Return to Open Session - The Board returned to open session.

26. Approved-Handbook Revision, Residency Regulations, Nevada High School Graduates - The Board approved amendments to the Handbook (Title IV, Chapter 15, Sections 3 and 4) that clearly establish in-state residency for tuition purposes for all Nevada high school graduates. (Ref. Q on file in the Board office.)

Regent Alden moved approval of the residency regulations for Nevada high school graduates. Regent Rosenberg seconded. Motion carried. Regent Kirkpatrick was absent.

27. Approved-Property Purchase, GBC - The Board approved the purchase of the Heritage Center property located at 701 Walnut Street, Elko, Nevada. (Ref. S & Bound Report on file in the Board office.)

Mr. Carl Diekhans, Vice President, Administrative Services-GBC, reported that the college had previously purchased the Group West apartments for conversion into dormitories, adding that the Heritage Center was a second property for the same purpose. GBC has obtained a \$3 million bank loan. They drew \$1.35 million to buy the apartments and an additional \$1 million to purchase the Heritage Center. The purchase price increased slightly to \$1,082,200.56. Closing costs are estimated between \$10-15,000. He related that GBC used Mr. Jim Jeffers (Business Center North) to assist with the negotiations and paperwork. Since Mr. Jeffers was recently injured, Mr. Diekhans has been forwarding the material to General Counsel Ray to ensure its appropriateness. He assured the Board that GBC has the ability to pay for the Center. Asbestos abatement will likely prevent students from occupying the facility in the Fall. GBC plans to use the borrowed money to close on the property. GBC also received a gift (\$2.5 million) from the Griswold estate. Half of that money is to be used for a scholarship endowment, while the other half is to be used for the building fund. The money should be available in September, and \$1.2 million will be used for housing. The Foundation has started a major campaign with a \$2.3 million goal to repay the note, renovate the cafeteria, and to assist with relocating a computer study center and laundry facilities on the Heritage property.

General Counsel Ray reported that a finalized purchase agreement was not available. The original proposal entailed a stock purchase agreement, which he felt was not in the Board's best interest. The draft purchase agreement was just received, but a few changes are necessary. He suggested the Board approve the purchase agreement contingent upon a finalized agreement that is acceptable to both President Killpatrick and General Counsel.

Regent Gallagher moved approval of the property purchase for GBC contingent upon reaching a finalized agreement that is acceptable to both President Killpatrick and General Counsel Ray. Regent Howard seconded.

Regent Rosenberg asked about the number of expected residents. Mr. Diekhans replied that they had 50% occupancy during the semester. GBC anticipates a minimum 75% occupancy for next Fall. He noted that, while rural enrollments had declined, Elko's had remained relatively stable.

President Killpatrick reported that the location of the Heritage Center was strategic to GBC's expansion, adding that other parties were also interested in the property. One of his mandates is to increase FTE, so he plans to fill the units soon.

Regent Alden asked about the availability of non-state funding to open the Heritage Center as dormitories. Mr. Diekhans replied that GBC had \$1.2 million (Griswold gift) in addition to the Foundation's goal for raising \$2.3 million. To date, \$396,000 has been raised in cash and pledges. Regent Alden asked about the cost of preparing the Center for occupancy. Mr. Diekhans replied that the immediate cost was approximately \$200,000. Regent Alden asked whether the property could be

sold in the future to recover the purchase price. Mr. Diekhans replied that a commercial appraiser had appraised the property at a low of \$970,000 and a high of \$1.4 million.

Regent Seastrand asked how many students could be accommodated in the two facilities. Mr. Diekhans replied that, with single occupancy, 144 students could reside in the apartments. A few 2-bedroom units have been rented to married students, which would reduce the total occupancy. The Heritage Center was a 91-bed assisted care facility, but some student offices will be added. GBC hopes to have a minimum of 60 rooms for a total of 204 potential occupants. Regent Seastrand asked when the Heritage Center would be ready for occupancy. Mr. Diekhans replied that the soonest would be next Spring semester. He reported that GBC plans to recruit in rural areas (Oregon and Idaho) as well as internationally. Regent Seastrand asked about the number of occupants required to break even. Mr. Diekhans replied that the building would be paid with the Griswold gift in September. To break even, only 50% occupancy of the apartments is required to pay off the \$1.5 million loan. Regent Seastrand asked about operating costs. Mr. Diekhans replied that a Buildings & Grounds person and a part-time clerical employee would be required. Regent Seastrand asked when GBC would break even. Mr. Diekhans replied that, with 50% occupancy, they had reached that point. The rent received last Spring was sufficient to make the payment on the apartments. He estimated that sufficient revenue would be generated to cover operating expenses by the following Spring.

Regent Howard asked why enrollments had decreased. Mr. Diekhans replied that overall enrollments at GBC had declined 8%, but Elko had remained stable. Heavy losses were sustained in Winnemucca, Ely, Eureka, and Battle Mountain due to the mining decline. Elko was able to maintain enrollments while some locations encountered a 40% decline in FTE. He explained that people were leaving those areas because no jobs were available.

Motion carried. Regent Kirkpatrick was absent.

28. Approved-Capital Improvement Fee Funds, TMCC Neil Road Building Improvements - The Board approved the use of \$800,000 in capital improvement fee funds to pay for the remodel of the 5270 Neil Road building for an opening date of January 1, 2003. (Ref. T on file in the Board office.)

President Ringle explained that Board approval would allow TMCC to develop the classrooms, labs, and offices necessary to open the Neil Road facility for the Spring 2003 semester. He related that the college knew it would have to expend Capital Improvement funds to remodel regardless of the location.

Regent Alden moved approval of the use of capital improvement fee funds for TMCC. Regent Derby seconded. Motion carried. Regent Kirkpatrick was absent.

29. Approved-Intercollegiate Rodeo Team, WNCC - The Board approved the establishment of an intercollegiate rodeo team at Western Nevada Community College, based at its Fallon campus. (Ref. U on file in the Board office.)

Regent Alden moved approval of the establishment of an intercollegiate rodeo team at WNCC-Fallon Campus. Regent Rosenberg seconded.

President Lucey reported that the Millennium Scholarship contributed to a 49% increase in the college continuation rate. Students attending rural high schools and urban centers are often not aware they can use their Millennium Scholarships at the community colleges. She related that WNCC needed to provide traditional college experiences. WNCC has been successful with increasing the number of college continuation students at the Carson campus, but it has proved more difficult in the rural area. The Fallon campus serves the entire rural area (Smith Valley, Mason Valley, Yerington, Fernley, and Fallon). She introduced Mr. Bus Scharmann, Dean, Fallon Campus & Extended Programs-WNCC, to discuss an initiative to attract more traditional-aged high school students to college in rural Nevada. She also introduced Mr. Rich Lee, National Director, National High School Rodeo Association.

Mr. Scharmann reported that 3 years ago WNCC undertook an effort to meet a strategic goal for increasing the number of young people on WNCC campuses. UNLV is the only UCCSN institution providing a forum for collegiate participation in rodeo. WNCC wants to provide a way for young people to utilize their Millennium Scholarships while still participating in rodeo. He reported that students seek leadership through coaching, advisement, and a venue in which they can participate, which was why WNCC proposed to organize an intercollegiate rodeo program.

Mr. Rich Lee stated that he had been the National Director for the past 25 years. He reported that young people want to further their education while continuing to rodeo. He related that Nevada loses many students to other schools offering intercollegiate rodeo programs. The Nevada High School Rodeo Association recently issued \$18,500 in scholarships to young rodeo contestants. Without a program close to home, this money will leave the state. Providing this program would allow ranching and farming residents to further their education, as well as their rodeo ambitions, without leaving the area.

Regent Alden asked whether WNCC-Fallon would challenge UNLV. Mr. Lee replied that WNCC would participate in a region that included UNLV.

President Lucey stated that WNCC has a goal to achieve an articulation agreement with UNLV.

Regent Seastrand asked whether the program would be financed entirely with donated funds or money raised outside of state funding. Mr. Scharmann replied that it would, adding that the college had already initiated fundraising efforts. A number of corporations are eager to contribute once Board approval has been received. Regent Seastrand asked what would happen if the college were unable to raise sufficient funds to perpetuate the sport. President Lucey replied that, as long as the state of Nevada was committed to private support for community college athletics, WNCC would not advance beyond Phase I of their budget plan. Regent Seastrand asked about liability. Mr. Scharmann replied that WNCC was aligning with the National Intercollegiate Rodeo Association. Each student athlete would become a member and purchase accident insurance through the American Specialty Risk Management Corporation. This would cover students from the time they leave home until they return. If WNCC sponsored a rodeo, they would add specialty insurance to cover the participants as well as the spectators. Discussions are being held with the Churchill County fairgrounds to provide a practice location. Regent Seastrand asked whether students would pay that cost. Mr. Scharmann replied that they would. In order to participate, students would pay \$180; \$100 would cover the accident insurance. Insurance for sponsored events would be covered by the proceeds from the event.

Regent Hill asked about the institution's liability if a rodeo instructor was negligent or if the institution was sued. President Lucey replied that the college was covered by the State of Nevada Indemnification Act. Students participating in construction tech, welding, and automotive programs risk similar injury. The System pays into a tort fund that covers such concerns. The \$374/event NIRA coverage would be specific to events sponsored by WNCC. Regent Hill asked whether practice sessions would also be covered. Mr. Scharmann replied that it would cover participants in practice and competition. Regent Hill clarified that private funds would be used and not soft money (i.e. vending machines). Mr. Scharmann replied that the money raised thus far came from private donations. Casinos and other businesses have expressed interest in contributing pending Board approval of the program. Regent Hill felt that the proposal should stipulate no expenditure of soft money. President Lucey replied that there was no soft money at this point. Mr. Scharmann replied that WNCC was not planning to finance the program with soft money. Regent Hill asked whether that was a condition of the proposal. President Lucey replied that it could be. Regent Hill felt that the program should be funded with private donations only and that the program should be discontinued if contributions could not sustain the program. President Lucey mentioned a General Improvement Fee fund that WNCC uses to fund student activities. She did not plan to use that fund for this purpose. Regent Hill was not opposed to the students donating funds for the program, but insisted that the institution's budget not be used.

Regent Hill proposed a friendly amendment that all funding come from private donations and non-state sources, adding that the student government could also elect to support the program. Regent Alden accepted the friendly amendment.

Chancellor Nichols stated that athletic program funding was heavily dependent upon income generated from athletic events.

Regent Hill proposed that funds received from activities associated with athletic events could also be used.

President Lucey clarified that no discretionary funds could be used except for those directly received from rodeo events or a student club. Regent Hill stated that he did not object to the use of private donations, student body funds, or money generated from the events. He did not want other college funds used to support the program (i.e. bookstore, vending machines). President Lucey clarified that the activity should be self-supporting and should not become a drain on resources the college could use for other student activities.

Regent Alden accepted the amendment to the motion to clarify the source of funds (no soft money, other than those related directly to the rodeo program, and no state money). Regent Rosenberg reluctantly accepted the amendment.

Regent Derby noted that other UCCSN athletic programs did not have those restrictions and asked whether President Lucey was comfortable with them. President Lucey replied that she was making the assumption it would work.

Regent Rosenberg removed his acceptance of the friendly amendment.

Regent Rosenberg stated that he could support a motion for no use of state funds, but he felt that each president should decide how vending machine money, etc. was used.

Regent Alden proposed a friendly amendment for no use of state funds. Regent Rosenberg accepted the amendment.

Regent Howard asked whether other funds could be used. Chair Dondero replied that it would be self-supporting. Chancellor Nichols stated that the current motion would allow the institution to call upon other institutional funds to support the program. Regent Alden clarified the motion:

Regent Alden moved approval of the establishment of an intercollegiate rodeo team at WNCC-Fallon Campus contingent upon no use of state funds. Regent Rosenberg seconded. Motion carried. Regent Hill voted no. Regent Kirkpatrick was absent.

30. Information Only-Report: Residency at Professional Schools - President Lilley and Provost Alden presented a report on current policies and practices for determining in-state/out-of-state residency and tuition charges in the University of Nevada School of Medicine, William S. Boyd School of Law, and UNLV School of Dentistry. (Ref. V on file in the Board office.)

President Lilley reported that, to be classified as a Nevada resident, medical students must be a resident of the State of Nevada for at least 12 months immediately prior to the last day for filing an application for admission to the School of Medicine. Non-resident medical students must follow the same process for reclassification to Nevada residency as required of other students. Tuition averaging is a policy available to non-resident medical students. The averaged fees are higher than medical school tuition and fees charged to Nevada residents. If a non-resident medical student does not qualify for reclassification to resident status after the first year, the student is retroactively assessed the full non-resident tuition. He showed a comparison of Nevada's fees with other WICHE medical schools and welcomed the Board's advice.

Regent Hill expressed concern for allowing the establishment of residency after one year instead of requiring out-of-state tuition the entire time. He noted that many states require students to remain classified as out-of-state for the duration of their education. He asked about the practice of other WICHE states. President Lilley replied that he did not know. He related that, if the WICHE state was paying the tuition, the student was ineligible to declare in-state residency. Regent Hill felt that once an out-of-state student applied and was admitted they should remain in that classification for the duration of their education. He asked the Board to consider changing the rules, adding that he would like to understand the potential impact of a change. President Lilley replied that a uniform policy existed for establishing residency (undergraduate, graduate, professional). He suggested that tuition averaging could use some attention. He was unsure how common that practice was in WICHE states. Regent Hill felt that the practices of other states should be examined, as well as the potential impact. If other states were doing it differently, he felt that the Board should reexamine the policy. President Lilley stated that tuition averaging was not consistent between UNR and UNLV, but the policy for residency was.

Regent Rosenberg noted that an out-of-state undergraduate could take up to 6 units without declaring residency status. He asked whether undergraduates taking more than 6 units could establish residency. Dr. Shannon Ellis, Vice President, Student Services-UNR, replied that students must meet specific criteria to establish residency. UNR uses a committee review of the criteria. She stated that it was difficult to establish residency, adding that many requests were denied. Regent Rosenberg asked whether the same policy held for medical students. Dr. Ellis replied that it applied to all students. Dr. John Frederick, Provost and Interim Executive Vice President-UNR, stated that if students declare an intention to reclassify, UNR allows them to average the period of time they would be a non-resident with the period of time they would be a resident student. Dr. Ellis stated that the Board needed a mechanism to allow students to become residents.

Regent Seastrand asked about the percentage of medical students that became residents. President Lilley replied that it was difficult to determine because they serve their residencies all over the country. Regent Seastrand asked what percentage of out-of-state medical students finished their education as Nevada residents. Dr. Frederick replied that it was a high percentage, adding that only 5 students/year (out of 52) were accepted. Regent Seastrand asked about the percentage that stayed and practiced in Nevada. President Lilley replied that UNR had not been able to track that statistic.

Regent Hill was not opposed to providing a mechanism allowing students to become residents, but was opposed to subsidizing the education of non-tax payers. He again asked about the practices of other states, adding that the Board would need that information to make an informed decision. Chancellor Nichols stated that System staff would collect information on the practices of other states. She clarified that Regent Hill wanted to know about the practices of other states regarding residency and whether students remain non-residents for the duration of their enrollment, regardless of other factors. Regent Hill asked her to include factors where states allow students to become residents.

Regent Sisolak stated that he shared the concerns expressed by Regents Hill and Seastrand, especially with the law and dental schools. He asked that the information be separated between professional schools and undergraduates.

Provost Alden reported that the dental school follows the policy in the Regents' Handbook. The law school follows it closely, but requires a more conservative date of final filing for application (March 15). He related that the reclassification process was the same for graduates and undergraduates.

31. Information Only-Board Executive Contract - Chair Dondero reported on the contract and salary considerations for the Chief Administrative Officer to the Board. Any necessary Board action will be taken at the August meeting. Chair Dondero related that Ms. Ernst did not receive a salary or merit increase last year. She recommended a \$4,000 merit increase to her current salary of \$109,782.

32. Approved-Election of Officers - In accordance with Regents' Bylaws, (Article IV, Section 2), an election of officers for FY 2002-2003 was held. These officers will serve from July 1, 2002 through June 30, 2003.

Regent Rosenberg acknowledged a tradition for alternating the chairmanship between the north and the south. He reported that the Board Chair for the past two years had been from Clark County. He commended Regent Dondero's efforts for keeping diverse interests and personalities balanced during her term. He felt the Board hoped that the next Chair would

devote the time, effort, and energy necessary to the job and would be willing to set aside regional partisanship in his/her leadership. He decided to set aside the traditional alternation for this term.

A. Chair -

Regent Rosenberg nominated Regent Seastrand as Chair. Regent Alden seconded.

Regent Rosenberg stated that Regent Seastrand had assured Board members that he now has the time to devote to this task. Regent Rosenberg thanked the Chair and his colleagues for allowing him to serve as Vice Chair for the past two years. No other nominations were made.

Motion carried. Regent Kirkpatrick was absent.

Regent Seastrand said that he was humbled by the Board's trust, adding that he would do his best to be worthy of it. He thanked Chair Dondero and Vice Chair Rosenberg for their two years of service.

B. Vice Chair -

Regent Alden nominated Regent Dondero as Vice Chair. Regent Derby seconded. Motion carried. Regent Kirkpatrick was absent.

Chair Dondero thanked the Board, adding that it was a labor of love.

33. Accepted-Academic, Research & Student Affairs Committee Report - Chair Jill Derby reported the Academic, Research & Student Affairs Committee met June 19, 2002. Two resource persons from ACT presented a review of current data, trends and approaches on the topic of remedial education, primarily from a national perspective. After the presentation, the following topics were discussed:

- Increased communications and joint efforts at both the secondary level and the post-secondary level would diminish the need for remedial education and increase its effectiveness.
- University emphasis on educating teachers to better evaluate and assist students, preparing them for a successful post-secondary education experience was discussed.
- An Oklahoma initiative, driven and funded by the State Board of Regents, was discussed. This initiative involves working with the secondary system at participating schools and assessing 8th grade, 10th grade students. The initiative has been successful and well received at both the secondary and post-secondary level. It receives continuing funding due to its success.
- Older students have remedial needs, which cannot be met through changes at the high school level.
- Next steps: The Academic Affairs staff will compile information and data received to date, and work with campus administrators and faculty to bring recommendations back to the Committee.

Regent Derby moved acceptance of the report. Regent Alden seconded. Motion carried. Regent Kirkpatrick was absent.

34. Approved-Audit Committee Recommendations - Regent Laura Hobbs reported the Audit Committee met June 19, 2002. Mrs. Sandi Cardinal, Director of Internal Audit, reported that the institution bank reconciliations were up-to-date. Dr. John Lilley reported on the status of the University of Nevada School of Medicine Practice Plan. The structure of the Practice Plan is being reviewed and a list of exceptions to standard university procedures is expected to be presented to the Board of Regents at a future meeting. The Practice Plan in the north is doing well financially. The Practice Plan in the south is still facing financial challenges. Dr. Mike Harter, Vice Dean, University of Nevada School of Medicine, reported that the balance of the bank loan has been reduced from \$475,000 to \$381,000. Dr. Lilley reported on the financial status of the UNR Fire Science Academy. Enrollment is currently exceeding the projections in the business plan while income and expenses are less than projected. Overall, the FSA deficit as of May 31, 2002 is less than was projected in the business plan. Regent Alden requested that the FSA financial information that is presented at each Audit Committee meeting be separated between operations and construction for the next meeting. Regent Hobbs requested Board action on the following Committee recommendations:

- Internal Audit Reports - The Committee reviewed the following Internal Audit reports: (Ref. W on file in the Board office.)
 - Kids University, UNR (Ref. A-2 on file in the Board office.)
 - Construction Procurement Process, DRI (Ref. A-3 on file in the Board office.)
 - Construction, TMCC (Ref. A-4 on file in the Board office.)
 - Construction, WNCC (Ref. A-5 on file in the Board office.)

Regent Hobbs moved approval of the Committee recommendations and acceptance of the report. Regent Rosenberg seconded. Motion carried. Regent Kirkpatrick was absent.

35. Approved-Finance & Planning Committee Recommendations - Regent Rosenberg reported the Finance & Planning Committee met June 19, 2002 to review and recommend the Fiscal Year 2002-2003 State Supported Operating Budget, the FY 2002-03 UCCSN Self-Supporting Budget, to review the 3rd Quarter FY 2001-02 All Funds Report, the 3rd Quarter FY 2001-02 Fiscal Exceptions Report, and to consider requiring another report on Resource Reassignment/Reallocation and the UCCSN policy on requiring corrective actions for accounts reported on the Fiscal Exceptions Report. The Committee reviewed the fiscal 2002 All Funds Report, which reports current revenues and expenditures through the 3rd quarter for all UCCSN accounts. In addition, the Committee received the fiscal 2002 3rd Quarter Fiscal Exceptions Report. Regent Rosenberg requested Board action on the following Committee recommendations:

- Fiscal Year 2002-2003 State Supported Operating Budget - The Committee reviewed and recommended approval of the FY 2003 State Supported Budget. This budget totals some \$530.8 million and represents a 7.1% increase from fiscal 2002.
- Fiscal Year 2002-2003 UCCSN Self-Supporting Budget - The Committee reviewed and recommended approval of the fiscal 2003 Self-Supporting Budget. These budgets total \$240.9 million in additional spending for accounts not supported by state funds.
- Institutional Resource Reassignment/Allocation - The Committee reviewed the format for a new annual report, which will detail institutional resources that have been reassigned or reallocated to another institution. The Committee recommended the new report on a semi-annual basis.
- UCCSN Fiscal Exception Policy - The Committee also reviewed current policy on requirements for corrective action plans for accounts reported on the quarterly fiscal exceptions report and felt that current policy was sufficient.

Regent Rosenberg moved approval of the Committee recommendations and acceptance of the report. Regent Alden seconded. Motion carried. Regent Kirkpatrick was absent.

36. Approved-Health Care Education Committee Recommendation - Chair Doug Seastrand reported the Health Care Education Committee met May 9, 2002 and discussed the Associate Degree Nursing Program at the Community College of Southern Nevada with respect to the licensing of its nursing students graduating in Spring 2002, and the status of the program's accreditation. Regent Seastrand requested Board action on the following Committee recommendation:
Ø Final Report from the Nursing Task Force - The Committee approved the report of the Task Force that recommends doubling the capacity of nursing programs within the University and Community College System of Nevada.

Regent Seastrand moved approval of the Committee recommendation and acceptance of the report. Regent Rosenberg seconded.

Regent Alden thanked Committee members for their important work.

Motion carried. Regent Kirkpatrick was absent.

37. Approved-Investment Committee Recommendation - Chair Mark Alden reported the Investment Committee met May 23, 2002. 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 March 31, 2002. Endowment investments returned 2.4% for the quarter (compared to the 1.8% benchmark) and 0.6% for the fiscal year (compared to the -0.2% benchmark). The total return for the pooled operating funds was 1.3% for the quarter (compared to the 0.9% benchmark) and 2.3% for the fiscal year (compared to the 1.5% benchmark). The Committee reviewed the current status of the operating pool reserve and the impact to the reserve if the payout rate was changed. The reserve decreased to -\$7.8 million as of May 22, 2002. The Committee decided not to change the allocation to the institutions of 72.5% and the allocation to the Chancellor's Office of 27.5% until the impact of a change can be determined. Regent Alden requested Board action on the following Committee recommendation:

Changes to Operating Fund Payout and to the Board Handbook - The Committee changed the payout rate from 4% to 3.5% of the average cash balance.

The Committee reviewed the status of the Estate Tax fund and the status of unfounded private equity commitments. Given the potential depletion of the Estate Tax fund and the illiquid nature of private equity investments, the Committee determined that it would not be making any additional investments in private equity at this time. The Committee also heard a report on the new endowment custodian, Wells Fargo. It was reported that the System was extremely pleased with the transition, service, and reporting.

Regent Alden moved approval of the Committee recommendation and acceptance of the report. Regent Rosenberg seconded. Motion carried. Regent Kirkpatrick was absent.

38. Approved-CCSN Organizational Advisory Committee Recommendation - Chair Thalia Dondero reported the CCSN Organizational Advisory Committee met April 30, 2002. Consultants Dr. James Samels and Dr. James Martin of The Education Alliance provided the Committee with a preliminary draft of their organizational study of CCSN. The study contains two primary findings: (1) CCSN should not be divided into separate institutions at this time but this issue should be revisited

in 7-8 years, given CCSN's projected growth. The reasons cited for this conclusion were the significant cost efficiencies to a single institution as well as the need to build collegial harmony among the campus community. The second finding: (2) Significant administrative reorganization is needed at the community college in order to better serve students, faculty, and staff. The consultants noted substantial understaffing in general for a community college the size of CCSN. The Committee voted to accept the preliminary report, with the understanding that a final report reflecting the Committee's input would be provided by the end of May. In discussing its next steps, the Committee agreed to meet in June to review the consultants' final report as well as to review an initial draft of the Committee's final report to the Board of Regents and Legislature.

Regent Dondero moved acceptance of the report. Regent Rosenberg seconded. Motion carried. Regent Kirkpatrick was absent.

39. Accepted-Presidential Search Committee, NSC - Chair Mark Alden reported the NSC Presidential Search Committee met April 29, and May 14, 2002. The committees agreed to recommend retaining A.T. Kearney, Inc. as the consultant for the search. Ms. Jean Dowdall, Vice President, met with the committees and discussed the leadership profile for the position and the ad placements. A calendar for the search was adopted with the intent of having the president in place no later than January 2003. The committees reviewed the Nevada State College White Paper and the leadership profile and recommended changes were made. The Board of Regents approved the hiring of A.T. Kearney and the search budget at the May 9, 2002 meeting.

Regent Alden moved acceptance of the report. Regent Rosenberg seconded. Motion carried. Regent Kirkpatrick was absent.

40. Public Comment - Chair Dondero expressed her appreciation to UNR for providing assistance and training with the sound system at the meeting. She also thanked Regent Rosenberg for his work as Vice Chair.

Regent Alden thanked his colleagues for the active discussion regarding operating budget priorities.

Chair Dondero thanked President Killpatrick for his hospitality.

41. New Business - None.

The meeting adjourned at 2:30 p.m.

Suzanne Ernst
Chief Administrative Officer to the Board