

**BOARD OF REGENTS  
UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA**

Blasco Event Wing  
Foundations Building  
University of Nevada, Las Vegas  
4505 Maryland Parkway  
Friday, May 7, 2004

Members Present: Dr. Stavros Anthony, Chair

Mr. Mark Alden  
Ms. Marcia Bandera  
Dr. Jill Derby  
Mrs. Thalia Dondero  
Mr. Douglas Roman Hill  
Ms. Linda Howard  
Mr. Howard Rosenberg  
Dr. Jack Lund Schofield  
Mr. Douglas Seastrand  
Mr. Steve Sisolak  
Mr. Bret Whipple

Members Absent: Dr. Tom Kirkpatrick

Others Present: Chancellor Jane Nichols  
Interim Chancellor Jim Rogers  
Vice Chancellor, Finance & Administration Buster Neel  
Vice Chancellor, Academic & Student Affairs Richard Curry  
General Counsel Tom Ray  
President Carol Harter, UNLV  
Chief Administrative Officer Suzanne Ernst  
Also present were faculty senate chairs Ms. Mitzi Ware and Ms. Ann Johnson, CCSN; Dr. Vic Etyemezian, DRI; and Dr. Jane McCarthy, UNLV. Student government leaders present included Ms. Jocelina Santos, UNLV-GPSA.

Chair Stavros Anthony called the meeting to order at 9:05 a.m. on Friday, May 7, 2004 with all members present except Regents Howard and Kirkpatrick.

1. Postponed-Panel Discussion: Open Meeting Law – The Board postponed its panel discussion on the Nevada Open Meeting Law.

2. Approved-Appointment, Acting Vice Chancellor for Technology – The Board approved Chancellor Jane Nichols' request for the appointment of Mrs. Becky Seibert as Acting Vice Chancellor for Technology. Mrs. Seibert will receive an annual contract for \$100,755 representing a 10 percent increase over her current contract (*Ref. A on file in the Board office*).

2. Approved-Appointment, Acting Vice Chancellor for Technology – (*Cont'd.*)

Regent Alden moved approval of the appointment of Mrs. Becky Seibert as Acting Vice Chancellor for Technology. Regent Rosenberg seconded.

Chair Anthony clarified that the annual contract totaled \$100,755 thereby correcting the miscalculated figure presented on the agenda.

Regent Dondero asked about Mrs. Seibert's responsibilities and her primary work location. Chancellor Nichols explained that this was an interim appointment to replace ailing Vice Chancellor Van Weddle. Mrs. Seibert is primarily located in Reno but travels between Reno and Las Vegas on a regular basis. Chancellor Nichols

recommended that a process be started to review the position and its responsibilities, and possibly conduct a study related to UCCSN technology. She said that a search would be conducted to fill the permanent position. Chancellor Nichols said it was a temporary appointment, adding that Mrs. Seibert had been functioning in this position for several months.

Regent Bandera expressed her support for the recommendation, adding that she had known Mrs. Seibert for some time. She felt that Mrs. Seibert would continue to take System Computing Services in the direction that Vice Chancellor Weddle had intended.

Regent Sisolak asked how the proposed salary related to Vice Chancellor Weddle's. Chancellor Nichols replied that it was significantly lower than Vice Chancellor Weddle's salary. She explained that it is a contract amount. Mrs. Seibert is on a 0.8 contract and will remain so for this interim period. Even calculated at 1.0 FTE, the recommendation would still have been lower than Mr. Weddle's. She said it was usual and customary practice to provide a 10% increase for interim appointments. Regent Sisolak did not object. He requested an explanation for a 0.8 contract. Chancellor Nichols explained that Mrs. Seibert works 4 days per week. She will split the time between Reno and Las Vegas. Chancellor Nichols said that she and the staff were confident that Mrs. Seibert would be able to handle the duties. Regent Sisolak established that Mr. Weddle worked 5 days per week. Chancellor Nichols agreed, adding that Mrs. Seibert accomplishes as much in 4 days than most people do in 10. Regent Sisolak asked whether the dollar amount was less because of the 0.8 contract. Chancellor Nichols replied that it was, adding that it was Mrs. Seibert's preference to continue with the 0.8 contract.

Motion carried. Regents Howard and Kirkpatrick were absent.

3. Approved-Chancellor Transition Plan – The Board approved a transition plan for Chancellor Jane Nichols. The *Board of Regents Handbook (Title IV, Chapter 3, Section 26)* provides a process for chancellor transition when a UCCSN chancellor resigns or is reassigned. The transition process requires that the Board of Regents approve the transition plan, including an academic rank in a specific unit in the institution, an academic year salary and may include a period of professional development leave. Chair Stavros Anthony recommended approval of a transition plan for Dr. Jane Nichols.

Regent Howard entered the meeting.

3. Approved-Chancellor Transition Plan – (Cont'd.)

Chair Anthony recommended the following:

- • Dr. Nichols will take the rank of Professor in the Educational Leadership department at the University of Nevada, Reno.
- • Dr. Nichols will have a period of professional development leave (*one academic year*) in which to prepare for the full-time duties of an academic faculty member based on her proposal.
- • Dr. Nichols' salary during her professional development leave will be at the mid-point between her current salary as chancellor and her eventual faculty salary. That mid-point is \$155,456. The recommended salary for her faculty position will be \$100,000 commencing fall semester 2005.
- • Dr. Nichols will receive an available travel budget of \$4,000 to use for activities related to her preparation for her new role as a faculty member. All travel expenses must be approved in advance by the Board Chair.

Regent Alden moved approval of the transition plan for Dr. Jane Nichols. Regent Bandera seconded.

Regent Hill said that he supported Chair Anthony's recommendation. He hoped that time would be set aside in the future to properly recognize Chancellor Nichols for her accomplishments. Regent Hill praised Chancellor Nichols for bringing intelligence and credibility to the position, adding that she possessed an element of courage belying her petite size and appearance. He related that it had always been an educational process to discuss an issue with her, adding that he very much appreciated having her as chancellor.

Regent Derby said that words could not adequately convey the magnitude of Chancellor Nichols' contribution, nor Regent Derby's gratitude for what Chancellor Nichols had contributed. She said the Board would miss

Chancellor Nichols very much, adding that she has a sterling reputation in the state and the nation. Regent Derby said that the Board wishes her well. She was impressed with the grace and presence that Chancellor Nichols brought to leadership, noting that strained resources and the challenges of working with a difficult Board had been overwhelming.

Regent Schofield said that Chancellor Nichols possessed core values, was articulate, kept a cool head, was a wonderful lady, and that he was proud to have served with her.

Regent Dondero thanked Chancellor Nichols for her work, adding that she was a wonderful person. She expressed the Board's affection for Chancellor Nichols.

Regent Rosenberg observed that he had known Dr. Nichols for 20 years, during which time they had some disagreements. He felt that higher education was suffering a major loss with her departure, while UNR was celebrating a major gain. He welcomed her home again.

Regent Seastrand noted that he served as Board Chair during Chancellor Nichols' tenure. He felt that she made a tremendous difference while at the helm. He credited Chancellor Nichols with the creation of the Performance Indicator Report, adding that she is a great

### 3. Approved-Chancellor Transition Plan – (Cont'd.)

leader who had done great things. He said that he would miss her terribly, wished her the best in her future endeavors, and that the Board would feel her loss.

Regent Howard thanked Chancellor Nichols for all of her helpful advice, adding that she felt that Chancellor Nichols is an extraordinary human being.

Regent Sisolak commended Chancellor Nichols for doing a great job as chancellor. Though he hasn't always agreed with her, he hoped that it had been done in a respectful manner with the intent of benefiting students. He noted the work, effort and tenacity that Chancellor Nichols devoted to the position. He said that he respected and admired that and thanked her for her effort. Regent Sisolak hoped that Chancellor Nichols would now be able to spend more time with her family.

Chair Anthony said that he had intended to list all of Chancellor Nichols accomplishments, noting that Dr. Jim Richardson's article in *The Alliance* had done so. Chancellor Nichols' major accomplishments include:

- • Resolved problems brought on by the loss of federal estate tax revenues by getting \$90 million in such programs shifted to the state general fund for support, saving nearly 250 jobs funded by the estate tax rebate funds.
- • Gained Regent support for a tuition policy that reserves half of all tuition increases for need-based financial aid.
- • Instituted a policy of tuition increases with regular, small increases rather than occasional, large jumps with long-range plans for students to pay their fair share of the cost of education, especially at the four-year institutions.
- • Persuaded Governor Guinn and the legislature to accept new funding formulas that resulted in more equitable distribution of funds for UCCSN institutions.
- • Successfully launched Nevada State College.
- • Lead the effort to hire new presidents at five institutions over four years.
- • Resolved the difficult taxonomy problem that involved classifying all courses offered by developing a cost matrix that is fair and equitable to UCCSN institutions.
- • Successfully promoted major changes in the UCCSN Code to protect faculty rights and state more clearly their responsibilities.
- • Earned the respect of virtually all officials and political officers and represented the UCCSN well before all public bodies.
- • Brought positive, national recognition to Nevada through service in national organizations and promoted Nevada's participation in two national projects related to student outcomes and smoother transitions from school to college.

- • Worked with the faculty senate and the Nevada Faculty Alliance better than any previous chancellor developing a sense of teamwork with faculty throughout the System.
- • Worked hard with Governor Kenny Guinn, State Treasurer Brian Krolicki, and Director Susan Moore to make the Millennium Scholarship program a great success.
- • Presided over the establishment of 64 new programs throughout the System.
- • Gained support from the legislature for a record number of new facilities to house UCCSN's growing student and faculty populations.

3. Approved-Chancellor Transition Plan – (Cont'd.)

- • Gained Regent support for a new Master Plan to govern the development of higher education in the future.

Motion carried. Regent Kirkpatrick was absent.

Chancellor Nichols thanked the Board for their kind remarks. She also thanked the presidents, faculty, and staff, adding that she was grateful for this opportunity to serve.

Chair Anthony related that a reception honoring Dr. Nichols would be held in Reno on Thursday, June 17<sup>th</sup>.

4. Approved-Appointment, Interim Chancellor – The Board approved Chair Stavros Anthony's request for the appointment of Mr. James E. Rogers as Interim Chancellor of the University and Community College System of Nevada. The Board also approved Chairman Anthony's request for the proposed employment agreement. The terms and conditions of the agreement were presented at the meeting (*UCCSN Code, Title II, Chapter 1, Section 1.5.5*) (handout #4 on file in the Board office).

Regent Alden moved approval of the appointment of Mr. James E. Rogers as Interim Chancellor and the recommended employment agreement. Regent Howard seconded.

Chair Anthony invited Mr. Rogers to discuss his vision as Interim Chancellor.

Mr. Rogers said that education has become his passion. In 1989, he discovered that the University of Arizona's law school was in severe need of funds. During the past 15-16 years, he has spent 30-40 hours/week working on various educational issues at various institutions. He has served on several college boards and feels that he knows what good colleges are and which have great potential. Mr. Rogers felt that UCCSN has great potential. Mr. Rogers has lived in Nevada for 51 years. In spite of donating substantial money and support to schools outside of Nevada, he considers the state his home. When he heard that Dr. Nichols was leaving he knew that he wanted to become involved. During the last 7-10 days he has established some very good relationships. He has spoken with all of the presidents. He has met with the faculty and believes they now understand that he is a big dreamer and that he believes the System is poised to do great things. He expressed total confidence in what will be done. He expressed the need for private funding, adding that no state legislature ever built a great college or university. He felt it was necessary for the state legislature to continue its support while UCCSN increases its community efforts to develop relationships that will enable great institutions. Mr. Rogers views this as an opportunity to participate with the Board to develop that potential. He said he would be honored to serve with the Board, adding that he supports people. He views the position of chancellor as one who supports the presidents and the faculty in order to support the students. Mr. Rogers said he wanted to continue to develop the System's potential.

4. Approved-Appointment, Interim Chancellor – (Cont'd.)

Regent Dondero asked whether Mr. Rogers would still be devoting the time supporting other institutions. Mr. Rogers replied that this job would be his first priority, adding that it was stipulated in the employment agreement. Mr. Rogers felt that those relationships were not only important for him but for UCCSN as well. He learns from what other colleges and universities do. He takes 13 college presidents and 8-9 law school deans on an annual fishing trip and intends to continue the practice only to the extent that it does not interfere with his duties in Nevada.

Regent Sisolak appreciated the time Mr. Rogers had taken to meet with Regents to answer questions. He hoped that Mr. Rogers was not having second thoughts and asked when Mr. Rogers would take office. Mr. Rogers asked when the Board wanted him. Chair Anthony said he would make that determination once the Board had reached a decision.

Regent Hill observed there had been some gossip about Mr. Rogers since the announcement of his interest in the position. He felt that it indicated that people are interested. Regent Hill said that he was pleased with Mr. Rogers' answers, adding that he wanted to provide an opportunity for Mr. Rogers to address some of the gossip. Regent Hill observed that the lobbying process in Carson City is a very complicated one. He asked about Mr. Rogers' philosophy and his plans to address the legislature. Mr. Rogers replied that he knows this state and the legislators as well as anyone. He felt that his reputation for integrity is very good. He related that he cannot tolerate liars or those who do something wrong and try to hide it. He felt that he can deal well with people, adding that he felt he is persuasive. As an accountant, he understands money, budgets, and revenue. He also has experience with the Idaho and Arizona legislatures. He said that he is a very hard worker and has already discussed budgets with some of the accounting personnel. He felt that he could get the job done.

Regent Hill related that Mr. Rogers' candidacy for this position had caused considerable distress among a number of people in the north who are concerned that Mr. Rogers will be a southern chancellor and not a chancellor for the whole System. Mr. Rogers said that he entertained that discussion with other Regents. He felt it was necessary for all parts of the puzzle to work. Without one element the others do not work. He did not view one institution or one section of the state as more important than another. He observed that Nevada had one college and university system that must grow in its entirety. He suggested that anytime the Board felt that he had slighted a portion of the state, they could notify him and he would not return. He said that his business associates would attest that this is how he operates.

Regent Hill asked how Mr. Rogers proposed to address having special roles with different institutions. Mr. Rogers replied that he had already started. He and Mr. Don Snyder were planning to co-chair UNLV's capital campaign. Mr. Mike Sullivan will take his place with Mr. Rogers helping when he is able. He has already discussed with President Lilley raising money for UNR. He said that he was open to that prospect and that he had the time to do so.

#### 4. Approved-Appointment, Interim Chancellor – *(Cont'd.)*

Regent Hill said that people were concerned that Mr. Rogers would not fulfill financial obligations to which he had previously committed now that he is chancellor. Mr. Rogers said that would not happen. He said this was an effort on his part to enhance what is going on at the colleges and universities. He said that his service would be in addition to his financial commitments. Should the Board find a replacement and relieve him of his duties, he would still want to help and fulfill his commitments. Mr. Rogers noted that he wanted to bring his lawyer with him to ensure that his personal business did not interfere with System business. He noted that he gives a lot of money to many political campaigns. General Counsel Ray and Mr. Rogers' attorney are working to determine whether there is anything ethically wrong with him continuing to do this as chancellor. Another issue involves a substantial gift to the University of Arizona. If it is determined to be inappropriate, Mr. Rogers will discontinue his efforts. Mr. Rogers is also on the board of a small college in Montana. One of the donors is from Reno. He has asked about the propriety of soliciting money from someone in Reno for a school located in another state. Regent Hill offered the Board's assistance to help Mr. Rogers with such decisions.

Regent Hill noted that it was rumored that Mr. Rogers has a temper. Mr. Rogers replied that was true. Two things upset him: (1) Don't lie; if you do the relationship is over. He has to be able to trust the people around him and who support him. (2) When you make a mistake, you must tell him and not attempt to hide it as it is only compounded by such action. He said that if he and the Board disagreed it would never become personal. He has people with whom he has worked for 15-25 years. He said the Board would find that he deals straight.

Regent Hill said there was some conjecture that Mr. Rogers does not have the qualifications for the position. Regent Hill felt that performance is the ultimate qualification for any position. He felt that if a person was willing to work and learn, and had been successful there was a strong probability for success. He hoped that Mr.

Rogers would become the new Interim Chancellor.

Regent Howard thanked Mr. Rogers for taking the time to speak with each Board member, adding that it provided her the opportunity to get to know him and find out what he wants to do. She likes some of the things they discussed (*i.e., support students, build community relationships*). Regent Howard felt that private funding would be necessary to move the System forward and that Mr. Rogers would be very effective in that role. She did not believe the Board should criticize Mr. Rogers if he fails in his fundraising efforts. She said that Mr. Rogers had demonstrated that he truly cares about higher education by reaching out to other states. She noted that Mr. Rogers would now have 13 bosses. Mr. Rogers said that he understands corporate structure and what it takes to be a boss. He did not think he would have any problems with having 13 bosses. He acknowledged that he and the Board may discuss things and that they might argue heatedly. He said that once the Board voted it would be the end of the subject. He said the Board would set his course and that he would fulfill it. He did not want the Board to change its mind mid-course. He felt that he and the Board needed to work together. Regent Howard felt that Mr. Rogers' experience would be valuable to the System. She hoped that he would communicate with Dr. Nichols if he had any questions or concerns. Mr. Rogers said that

4. Approved-Appointment, Interim Chancellor – (Cont'd.)

they had discussed that and that he felt he could not make the transition without her. He said that he had requested her help, adding that he was a great admirer of hers. He felt that Dr. Nichols had found him open to her suggestions.

Regent Alden noted that UCCSN was not state-supported but rather state-assisted. He observed that the Board was beginning its budget process and hoped that Mr. Rogers would be involved with that process. He wanted Mr. Rogers to present the Board-approved budget with vigor. Mr. Rogers replied that he would meet with Vice Chancellor Neel on Monday if the Board approved his appointment that day. Regent Alden committed to making the process easy for him. Regent Alden noted that Vice Chancellor Curry is retiring in July and asked Mr. Rogers to speak with him prior to his departure. Regent Alden felt that Vice Chancellor Curry had done a phenomenal job. Mr. Rogers assured Regent Alden that they had already spoken.

Regent Derby commended Mr. Rogers for his courage and initiative, adding that it is uncharted waters for him and the Board. She thanked him for stepping in, adding that his generosity to higher education is legendary. She observed that his experience and background had been primarily with universities. The community colleges are a critical part of Nevada's System of higher education. She asked him to elaborate about his willingness to learn about their important role. Mr. Rogers replied that when he and his wife first began contributing to the UCCSN they first contributed to CCSN. He is aware that the community college has over 30,000 students, is the 4<sup>th</sup> or 5<sup>th</sup> largest campus in the U.S., and knows the importance it plays in the community. He acknowledged that his favorite project has been the law school. He felt the principles were fairly similar and that it required an assumption that all parts are equally important. He said that he was easily accessible, adding that he returns every phone call every day. He related that he had shared his home and office numbers with everyone and that his assistant can reach him after he leaves the office. Prior to running television stations, he was a practicing attorney. He felt that he has the most successful overall news product in the U.S. He said that he has the talent to bring people together that have the necessary talent. He intends to be an outside person since that is what he does well. He feels the System has not done everything possible to sell the value of the System institutions. Regent Derby said the Board was grateful for and looking forward to his strength in that area. She related that they had spoken about the difference in cultures between the business world and higher education and Mr. Rogers' assurance that he is willing to learn the necessary patience. Mr. Rogers related that businesses were really dictatorships with one person making the decisions in any company. He acknowledged that the same principle could not be applied to government, but felt that the efficiencies he has developed over time could be brought to this new position. He said he has the ability to handle a wide scope of tasks, adding that the Board did not require more of the same. Regent Derby said that his responses had been very reassuring and added her appreciation for his willingness to serve. In response to criticism of the process employed, Regent Derby noted that the Board's process for appointing an interim position was indeed the manner in which the Board addressed the situation while moving forward with a national search. She said the Board was grateful to Mr. Rogers for his offer to bring his leadership, success, and business acumen to the position.

4. Approved-Appointment, Interim Chancellor – (Cont'd.)

Regent Sisolak said there was some concern about accessibility for all media outlets with Mr. Rogers' ownership of a television station. He established that everyone will have equal access to stories, interviews, etc. Mr. Rogers replied that he would never play favorites with Channel 3.

Regent Sisolak asked about Mr. Rogers' political contributions and whether a chancellor was able to do that. Mr. Rogers said that he would do nothing until General Counsel Ray had advised him. He also promised that he would not have a "friend" do anything on his behalf. He did not want to embarrass the Board or himself. Regent Sisolak established that Mr. Rogers was not hiding anything and it was all above board.

Regent Schofield observed that he taught with Mr. Rogers' mother at Paradise School. He commended Mrs. Lucille Rogers for instilling core values in his children. He said it had been a pleasure to see Mr. Rogers grow, adding that Mr. Rogers is honest and has common sense. He said that Mr. Rogers shared the Board's passion to make this the best System of higher education in the U.S.

Regent Seastrand felt that the chancellor position is the most difficult job in the state next to the governor. He said that Chancellor Nichols would be missed, adding that she is a tough act to follow. He thanked Mr. Rogers for his generosity in supporting higher education throughout his life, adding his appreciation for Mr. Rogers' willingness to serve. Regent Seastrand felt that the elements that caused success in Mr. Rogers' life would translate to the UCCSN. He was sure that Mr. Rogers would notify the Board of his needs in order to accomplish the task successfully. Regent Seastrand said that it was commonly agreed that Mr. Rogers has complete integrity, which he felt spoke volumes. He noted that some people fall into the trap of losing their integrity in an effort to achieve success. Regent Seastrand said that he looked forward to working with Mr. Rogers. While he appreciated having Mr. Rogers' opinion, he cautioned that once the Board had reached a decision it would be final. Mr. Rogers agreed.

Regent Rosenberg said that Mr. Rogers' integrity was a major factor, adding that he has a fine reputation. He said that his concerns had nothing to do with the individual and had everything to do with the position and the process. He questioned what the process would have been if Mr. Rogers had not volunteered for the position. He wondered what the Board would do if Mr. Rogers decided to leave. He felt the process was flawed and he had a problem supporting it. He was concerned about the employment agreement, noting that Mr. Rogers had indicated that he did not desire a contract. Regent Rosenberg asked who directed that the draft agreement be created. Chair Anthony said that he felt it was important to have a contract. He related that Mr. Rogers, General Counsel Ray, and Mr. Rogers' counsel decided that a contract was appropriate. Board members were provided copies (*on file in the Board office*). Chair Anthony indicated that Mr. Rogers had agreed to the contract terms, which designate Mr. Rogers as Interim Chancellor until the Board finishes the process of searching for a permanent chancellor. Regent Rosenberg said that the matter appeared to be a "done deal" and people were wondering why the Board was wasting taxpayers' money discussing something that had already been decided. He felt that was annoying and that his students were disturbed by it. Mr. Rogers related that he had spoken with all 13 Regents, adding that he believed he had not

4. Approved-Appointment, Interim Chancellor – (Cont'd.)

requested any votes and that no one had committed their vote to him. He said he still wondered about the results of the vote. Had he felt it was a "done deal", he likely would not have made an appearance. He said he was present because he was interested in the job, adding that no deal had been cut. Regent Rosenberg said that process was important to him. He appreciated Mr. Rogers' willingness, talents, and integrity. He said he would be delighted to work with him if the Board voted to confirm him.

Chair Anthony introduced Mrs. Beverly Rogers, Mr. Rogers' wife.

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

Regent Rosenberg moved approval of making the appointment a unanimous decision. Regent Howard seconded.

Motion carried. Regent Kirkpatrick was absent.

Dr. Nichols left the meeting and Mr. Rogers stepped into the chancellor's position.

The meeting recessed at 10:25 a.m. and reconvened at 10:46 a.m. with all members present except Regent Kirkpatrick.

Chair Anthony presented a bouquet of flowers on behalf of the Board in honor of Ms. Lisa Martinovic's birthday.

President Harter announced that she intended to honor former Chancellor Nichols with the President's Medal at the next commencement ceremony that is convenient for her to attend.

5. Approved-Orthodontic Residency Program, UNLV – The Board approved President Carol C. Harter's request for the Memorandum of Understanding between UNLV and Orthodontic Education, Ltd. (OEC) that describes a public-private partnership to establish a residency program in orthodontics. This advanced educational program in Orthodontic and Dentofacial Orthopedics will be administered by the UNLV School of Dental Medicine (Ref. B on file in the Board office).

Chair Anthony reminded Board members that a lengthy discussion regarding this matter had ensued at the March Board meeting. In an effort to allow sufficient time for the Board's scheduled workshop that day, he asked participants to limit their remarks to less than three minutes.

President Harter reported that the proposal would allow UNLV to enter into a partnering agreement with Orthodontic Education Ltd. (OEC) in order to establish an orthodontic residency program through the School of Dental Medicine. The community will receive the benefit of professional, specialty treatment in orthodontics that is currently difficult to access, especially for people of modest means. Licensed dentists who cannot currently afford or assume the indebtedness to enter the orthodontics profession will have the financial support to do so. This support could increase the number of women and

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.) minorities who practice orthodontics. UNLV will be creating an advanced specialty in a healthcare field using entirely private funds (*minimum of \$74 million over the next 30 years*). The corporation investing in the program will have the advantage of hiring and placing highly trained specialists from several quality universities across the nation. President Harter reported that UNLV had listened to the concerns expressed at the previous meeting and had worked tirelessly to accommodate them and to create a long-term contract that meets the needs of all parties. President Harter felt the resulting revised package represents a template for future development of other specialties using private investment in the university.

Dr. Ray Alden, Executive Vice President and Provost-UNLV, reported that the proposal would allow UNLV to enter into a public-private partnership with OEC to establish an advanced education dentistry program in orthodontics. The partnership would allow Nevadans to have access to advanced dental education in Nevada, would provide the means to provide Nevada citizens financial aid if they choose not to participate in the OEC program, and would provide greater access to oral care services by traditionally underserved citizens of the state. Revenues will allow for additional UNLV health sciences initiatives to be pursued. Several issues of interest with the OEC partnership model were previously discussed. There are no outstanding legal/accreditation issues related to the partnership model. The Department of Education has approved the handling of the accreditation of the Jacksonville University program by the ADA Commission on Dental Accreditation. The program will be established in strict compliance with standards established by the ADA Commission on Dental Accreditation. The agreement stipulates (*Section 3.4 of MOU*) that UNLV will have sole control over all aspects of the program. Admissions criteria, policies, procedures are under the sole control of UNLV faculty. OEC candidates are required to meet the same academic standards as other potential residents. Provost Alden said the contract had been amended to address the concerns expressed by Board members.

Regent Alden noted a point of order, asking that equal time be provided for pro and con.



President Harter introduced Dean Howard Landesman, D.D.S., M.Ed., University of Colorado Health Sciences Center.

Dean Landesman stated that one should not be a school dean if they do not form public-private partnerships and are unable to raise private funds. The University of Colorado's School of Dentistry's mission is to develop strategies which lead to comprehensive change. Those changes will be broad in scope and deep in impact. The school has been able to accomplish many of those changes within 5 years. Research funding has increased from approximately \$500,000 to \$5 million. The university has entered into the first public-private partnership with OEC and is now building a new School of Dentistry without the use of any taxpayer funds. In a troubled economy, where states have reduced their funding, it is critical that private money is brought into universities to supplement the money provided by the state. Dean Landesman said that he had not attempted to destroy orthodontics as a result of this venture. He felt that higher education was in deep trouble in this economy without the formation of these public-private relationships. He reported that many feel that this is the most innovative and creative

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

partnership developed in the last 50 years. He related that the University of Colorado has total control of this program. Their agreement stipulates that the University of Colorado shall have sole control over setting its admissions criteria, the selection and retention of its faculty, the selection of its curriculum and the substance of each course, grading of students (*to include OEC residents*), decisions as to whether any student shall continue in the program, determination as to whether any student graduates from the program, and the selection of all vendors used.

Regent Dondero asked about the revenues generated being used for other programs. She asked whether the program generated revenues and whether those revenues would be solely under the control of UNLV. Dean Landesman replied that clinical revenues would be generated when students and faculty treat patients, which could be used for other health-related programs.

President Harter introduced Mr. Terry Wright, Chairman, UNLV Foundation Board of Trustees.

Mr. Wright encouraged Board support of the proposal. He reported that the program would permit the dental school to have a graduate degree program. He felt that public-private partnerships are not only important and appropriate, but also provide a means for private industry to partner with the university, which would help make it a better university. He said that the UNLV Foundation board members affirmed the agreement and hoped the Board would give it positive consideration.

President Harter introduced Mr. Pete Christiansen, Esquire, to review changes to the contract in response to concerns raised at the previous meeting.

Regent Sisolak noted a point of order, stating there was a new contract which he had not seen until that morning. Mr. Christiansen replied that Regent Sisolak had seen the contract with some language changes from the contract provided 10 days earlier. Regent Sisolak stated there was a subsequent contract to the material that had been provided with the agenda that was not made available until approximately 8:45 a.m. He said he had not had time to read it. Chair Anthony asked whether anyone else had a copy of the amended contract. President Harter explained that UNLV made considerable changes following the previous meeting. Other changes were requested by various Regents subsequent to the agenda mailing. UNLV attempted in good faith to accommodate those requests with the amended version. Chair Anthony asked whether the changes were substantive. Mr. Christiansen replied they were not. He said there were approximately three changes made in response to a meeting he had with Regent Hill, which made it a better contract for UNLV. Regent Sisolak felt the changes were more substantive than "tweaks", adding that he did not have a chance to review it. Chair Anthony asked Mr. Christiansen to review the changes.

Regent Sisolak asked how one could distinguish the old contract from the new. Mr. Christiansen replied that he brought sufficient copies for Board members. Chair Anthony established that the latest version was being

distributed to Board members. Mr. Christiansen reported that the changes were highlighted:

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

- • Page 3 - OEC funding obligations - Concern was expressed that if inflation and tuition increases did not keep pace with one another that UNLV students would need to cover the difference. Additional concern was expressed that OEC fellows may not always pay the same tuition as UNLV students who are not OEC fellows. The changes contained at the bottom of page 3 and the top of page 4 remove those concerns. It is expressly stated that all orthodontic students will pay identical tuition throughout the course of the 27-year agreement. It further states that differences between the tuition and the CPI will be made by OEC and/or OEC fellows. OEC fellows will sign a contract with OEC so they will always know what they will have to pay.
- • The program commencement date was changed because the program has been pushed back one year.

Regent Sisolak noted a point of clarification, asking whether this was a substantive change from the last meeting or from the contract issued 10 days ago. Mr. Christiansen replied that it was a substantive change from the last meeting and a mere wording change from the contract issued 10 days ago.

Mr. Christiansen continued his review of the changes:

- • Page 7 – A concern was raised about a cutoff date where OEC and UNLV would work together to identify which seats OEC could or could not fill according to the UNLV academic standards. That cutoff date has been established to be 30 days before matriculation. Matriculation has been defined as the date the letters of acceptance are mailed. A concern was expressed about what the university would do if OEC was unable to provide qualified fellows acceptable to the university. If the university does not accept the OEC fellows (1 or 8), it has the ability to fill the slots with non-OEC fellows.
- • Page 9 – Third party litigation and Board risk – The agreement specifically states that if the Board or UNLV is sued they will be fully indemnified by OEC.
- • Term and Termination, Section 4.1, has not changed. OEC will need to seek Board approval at the end of the contract.
- • Page 10 - 4.3a and 4.3 b – UNLV recourse if OEC goes out of business. An option has been included allowing UNLV to elect to keep any furniture or fixtures that third party obliges are owed and UNLV will make good on the obligation or UNLV can choose to return the property to OEC. Once UNLV achieves accreditation, the gift (\$3.5 million) and any subsequent gifts remain with the university and do not require repayment.
- • Pg. 16 – Good faith and fair dealing. In an abundance of caution, the good faith and fair dealing clause from a Nevada Supreme Court case was included in the contract.
- • A run-on sentence will be changed to two separate sentences.

Mr. Christiansen related that it had not been easy to convince OEC's attorneys to comply with the Board's requests.

Chair Anthony asked whether anyone else who would like to comment on the program.

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

Mr. Jim Wadhams, Esquire, spoke on behalf of the Nevada Orthodontists and the Nevada Dental Association. He related that the two organizations support the dental school and the orthodontic residency. He said he would limit his comments to the new contract and the law.

Regent Sisolak noted a point of clarification, asking whether Mr. Wadhams was referring to the second revision or the third revision of the contract. Mr. Wadhams replied that he was referring to the third revision. He recalled that the Board voted to alter the agreement to make the entire admissions process blind. He felt that vote becomes critical. The new contract basically has the same flaws that he observed in the first version. The private entity will negotiate scholarships with a certain number of students. He felt that the scholarship process was not a blind process. He noted that the first offers would be made to those who were eligible for a scholarship. The remaining eight seats would be made available to others. He said that the 9<sup>th</sup> and 10<sup>th</sup> ranked students would suffer a hardship as a result. He said the issue was money and the problem with the public-private partnership was that UNLV could not compromise the basic element of the public opportunity (*i.e., the 14<sup>th</sup> amendment*). He

noted that UNLV was not trying to promote racial diversity but rather a benefit for certain scholarship recipients. He felt that the indemnity was included in the contract because the contract did set the university up for a lawsuit. He said the question was the policy: public university, competitive positions for a limited capacity, and a preference (*or quota*) for a private sector. He suggested the Board reject the contract.

Dr. Carey Noorda, orthodontist, thought the Board had decided to accept only the absolute best students it could get. He felt that the acceptance procedure outlined would not entail accepting the best students. After determining the basic criteria, OEC is allowed to handpick those students who are willing to sign a contract. He felt that acceptance should be based upon scholastic achievement, scholarship, class rank, board scores and not upon a student's willingness to sign the contract. He objected to this acceptance procedure. He asked why OEC felt it required such a coercive contract against their students and future employees, adding that his relationship with his employees was based upon mutual respect. He noted that this relationship would not work that way. He said that he had spoken with Dean Landesman about the contract and the dean did not know the specifics of the contract. Dr. Noorda said that he was not legally able to discuss the contract because the students are under a restraining order not to disclose that information. He found the numbers atrocious. Colorado's tuition is \$10,000/year. The debt a student will incur by going through this program is an outstanding number if the student does not want to practice for OEC. He asked whether any OEC representatives would be willing to discuss those figures. He said that he vehemently disagreed with this kind of a program, adding that orthodontists wanted an orthodontic program. He said that he was elated when he initially heard about an orthodontic program, but he does not want to have anything to do with this particular program. He felt it was unfair to the students and to the university, adding that it was not a scholarship. He said it was not based upon scholarship and it was not a gift, but rather bait for the university and for the students.

##### 5. Approved-Orthodontic Residency Program, UNLV – (*Cont'd.*)

Dr. Mark Truman, a recent orthodontic graduate from UCLA, called attention to the psychology of the students applying for these programs. He explained that the admissions process was typically a match process like a medical residency. The schools interview the applicants. Applicants are ranked and then assigned to a school. If they do not wish to attend that particular school, they must wait a year for another opportunity. He related that the Jacksonville system did not participate in the match program. They accepted applications beyond the match day. Those applicants who were not able to get in through the regular match system were allowed to apply to the Jacksonville program. These students are intelligent and understand something about money. The most desirable spots in this program were not the scholarship seats. The desirable spots were not part of the contract arrangement. Those who did not make the cut were devastated. Some students viewed Jacksonville as a course of last resort. He felt the program is really two-tiered with the contracted students locked in from the first day coexisting with those students who are free to establish their practices where they choose to live.

Dr. Richard Fry, a Las Vegas orthodontist, said he has been pleased to have UNLV dental students rotate through his office. He said the Board has a tremendous credibility problem with the dental community and the dental school. He said the contract and the program enabled Orthodontic Centers of America to not have to compete for orthodontists in the broad spectrum of the population. They want a captive group of graduates that they can control. He strongly urged the Board to review the contract that the students are asked to sign, adding that the Board is a partner to this process. He said the Board was unaware of what the students were signing for, what their obligations are, and what their indebtedness will be if they leave the contract. He felt the Board should examine the issue from every aspect. He said that these young people are desperate for money, adding that orthodontic education is incredibly expensive and it appears appealing to have someone pay your way through the program. He said the Board needed to know exactly what the obligations are when students leave the program before making a decision.

Mr. Don Snyder, UNLV Foundation Board of Trustees member, said he was confused by the level of concern expressed. He did not believe that the contractual agreement outlined for the orthodontic students comprised indentured servitude. He felt that from a business and educational aspect it appeared to be a wonderful marriage between the private and public sector. He did not know if there was an issue of concern about competition that was behind some of the comments made. He said the proposal found the way to do something that is beneficial for the university. There has been healthy dialog and it is now time to move forward with this partnership. He

urged the Board to support the program, adding that if there were legal technicalities they could be dealt with.

Regent Dondero asked whether the Board would review the student contract. President Harter replied they would not since it is a proprietary agreement between the student and the corporation. She noted that the students are licensed dentists, none younger than 25, who are able to read the contract and decide for themselves whether or not to enter into it. She said it was not part of the Board's responsibility to review that contract. She said it was between the student and the company, adding that the student has every right to decline the offer if they reject the terms.

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

Regent Hill asked about financial projections. President Harter replied that they had that information available, adding that it could be provided. Regent Hill felt it was absolutely essential for the Board to have the financial issues presented.

Regent Sisolak noted a point of clarification, stating that he thought that information was included in the material provided 10 days previously. President Harter stated that the figures were included in the original presentation. Regent Sisolak said the agenda material had not included the financial information. Chair Anthony asked Provost Alden to provide the information.

Provost Alden said that UNLV had calculated a 30-year projection, which had been reviewed to ensure compliance with UNLV business practices. Provost Alden said he would review the options that would occur over time. The worst-case option would be if the OEC model failed and went out of business after the program has started. Provost Alden stated that once the initial \$3.5 million commitment was realized and endowed, the tuition fees, endowment income, and clinic revenues would provide enough of a buffer (*approximately \$134,000/year*) to cover contingencies. He said the program could continue academically with the available revenues. He related that financial aid for Nevadans would be discontinued under this scenario. The best-case option after the first class has graduated would yield a net income over \$250,000 in addition to \$500,000 available for a contingency fund that would transfer to the endowment at the end of the year if it were not used. He related that this buffer could be used for equipment failures or unusual costs in any given year. He said it was likely the money would go into the endowment to help build the endowment income.

Regent Howard left the meeting.

Provost Alden related that once the model proves to be reasonable and sufficient funds have been accumulated in the endowment, Phase II programs would begin (*starting other advanced dental education programs*), building out the remaining 50,000-sq. ft. facility. He said this was an extremely conservative model compared with those at Colorado and Jacksonville (*handout #5 on file in the Board office*).

Regent Hill asked Mr. Christiansen to clarify certain modifications. He noted a provision on page 7 where the word "matriculation" was used in the last sentence: "*If the OEC fellowships are not filled at least 30 days prior to matriculation, UNLV reserves the right to fill the positions up to the approved enrollment limits of the program.*" Regent Hill suggested the following amendment: "*For the purposes of this agreement only, matriculation is defined as the date of the first letter of acceptance or other notice of acceptance sent out by the UNLV dental school.*" Regent Hill explained that he wanted to avoid a situation where UNLV was sending out acceptance letters with less than eight OEC fellows, and OEC was able to recruit additional candidates. He said he wanted a drop-dead cutoff date. Mr. Christiansen said that it was acceptable to OEC. The only modification he suggested was to the window of opportunity for OEC to try to fill seats that were not initially accepted by UNLV. That date would need to change to 30 days **after** matriculation. Regent Hill said he had a problem with that. He felt that once the letters of acceptance were sent

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

there should be no more recruiting for OEC. He did not want OEC to approach students and offer the vacant seats by signing the contract. Mr. Christiansen replied that if that was the model employed by the University of Colorado there should be no problem. He said that OEC did not want to be in a position where they could not

recruit prior to students being accepted. Regent Hill recommended that the second modification *prevent UNLV from divulging any ranking of the qualified applicants to OEC*. He felt that if OEC received the ranking they could recruit the lower ranked applicants. Mr. Christiansen said that amendment was acceptable to OEC. Regent Hill recommended that the third amendment *require that the contract between OEC and the scholarship recipients be sealed and kept by legal counsel, and only be amended with the approval of the chancellor, and approval for an amendment will not be unreasonably withheld*. General Counsel Ray related that he had only been allowed to read the contract, adding that he did not have a copy of it. Regent Hill clarified that a copy of that contract must be given to the General Counsel's office. He said that the contract could be sealed and could only be modified with chancellor approval. General Counsel Ray explained that he had been allowed to review the redacted version. He asked whether Regent Hill was contemplating an un-redacted version. Regent Hill stated that he was provided an un-redacted copy, which he offered to provide to General Counsel Ray. He said that Mr. Christiansen could also provide a copy.

Regent Sisolak noted a point of order, asking Regent Hill whether he had a copy of the un-redacted contract. Regent Hill replied that a copy had been left behind in his office. Regent Sisolak noted that he had asked to look at a copy and had been declined. Mr. Christiansen clarified that Regent Hill had the same copy that Regent Sisolak had reviewed. He explained that he inadvertently left a copy in Regent Hill's office. Regent Sisolak asked whether Mr. Christiansen could leave a copy with him. Mr. Christiansen explained that Regent Hill signed a nondisclosure, confidentiality agreement with OEC (*requesting to review the contract*) prior to Mr. Christiansen's involvement.

Regent Alden moved to table. Regent Sisolak seconded.

Chair Anthony established that Regent Hill had the floor.

Regent Sisolak noted a point of order.

Regent Hill noted a point of order, establishing that he had the floor.

General Counsel Ray stated that a motion to table could not be made to interrupt a speaker on the floor.

No vote taken; motion was improper procedure.

Chair Anthony determined that Regent Hill could continue. He summarized Regent Hill's remarks: 1) Clarification to "matriculation"; 2) General Counsel's office will retain a copy of the un-redacted contract; 3) No disclosure of applicant ranking. Regent Hill's final recommendation was to add a period to "other" on page 16, item 7.12, in the second to last line. The next sentence would state that, "*The parties will work together so*

5. Approved-Orthodontic Residency Program, UNLV – (*Cont'd.*)  
*that unseemly and unfortunate differences never develop between them.*"

Regent Hill moved approval of the Memorandum of Understanding between UNLV and Orthodontic Education, Ltd. (*OEC*) describing a public-private partnership to establish a residency program in orthodontics as amended. Regent Bandera seconded.

Regent Sisolak noted a point of clarification, stating that copies had been made available of the un-redacted version of the contract that he was not allowed to see. He understood Mr. Christiansen to have told him there was no un-redacted version. Mr. Christiansen related that the copy that Regent Hill reviewed was identical to the one that Regent Sisolak saw.

Regent Seastrand said he would love to have a public-private partnership with OEC and to have an orthodontic residency program. He noted that the Board had discussed the selection process at the previous meeting. The Board voted upon a selection process that did not consider whether the applicants were OEC candidates (*or not*). He asked whether the selection process was blind to OEC with the changes that had been made. Provost Alden replied that UNLV could not put in any contract what the accreditation process would be because it was up to

the faculty to set the process. The briefing paper stated that it would likely follow the sorts of best practices that have been approved by accreditation at the two universities.

Chair Anthony left the meeting.

Provost Alden stated that the process by which qualified candidates are selected, the faculty did not have to know who was a potential OEC candidate. That would occur after that pool was selected. Provost Alden said the details/criteria/process would have to be up to the faculty. Regent Seastrand asked to which pool Provost Alden was referring. Provost Alden clarified that he was referring to the pool of qualified applicants. Regent Seastrand said that he wanted to be very clear that the Board's vote had been taken to clarify that the faculty would not know who are OEC candidates and who are not during the final selection process. Provost Alden said they would not know until OEC provided their list. Regent Seastrand was not sure he understood Provost Alden's response.

Chair Anthony entered the meeting.

Provost Alden said that when OEC made their selection process the faculty are responsible for choosing the qualified applicants, then OEC would recruit from the list of qualified applicants, and then UNLV would fill the slots. Regent Seastrand asked whether faculty would know whether the applicants are OEC fellows when filling the slots. Provost Alden replied that they would. Regent Seastrand said that he had a problem with that, adding that the Board had voted on making that different. President Harter noted that they would know only after the applicants had been fully admitted as

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

qualified. Regent Seastrand said he still had a problem with the process, adding that it did not appear that any change had been made following the previous meeting. He said that a discussion had ensued with UNLV telling the Board that they would be able to do that very thing. Provost Alden explained that after UNLV had discussed that point it was determined that the administrators and governing board could not set those criteria.

Regent Sisolak read a section from the previous meeting minutes establishing that a blind selection process meant that UNLV would not consider whether or not the student was contracted to OEC as part of the selection criteria. Regent Sisolak observed that UNLV would know who the candidates are since they would be selected from the OEC list. He observed that they were discussing the same issue that had been covered at the previous meeting. He said there would be two, separate and distinct groups of candidates.

Regent Sisolak asked for an explanation of "terminating without cause". He asked whether OEC could back away from the agreement with three months notice and leave the students hanging. Mr. Christiansen replied that if OEC terminated the contract no student would have to repay any money fronted for the student, nor would UNLV have to repay the \$3.5 million. Regent Sisolak observed that OEC could walk away from the agreement without cause and leave the students hanging. Mr. Christiansen said that was not his interpretation. Regent Sisolak asked whether the students would be left hanging if OEC walked away from the contract, or whether OEC would continue to pay their tuition. Mr. Christiansen replied that OEC would not continue to pay their tuition, nor would the students be called upon to repay OEC. He related that the students could avail themselves of the same public lending as other students.

Regent Sisolak stated that the contract specifies the number of hours per week the students will have to work for OEC in repayment of their tuition. He asked about the number of hours required. Mr. Christiansen replied that he did not know. Regent Sisolak stated that the redacted copy did not reveal the information, but the un-redacted copy specified the number of days per year and the number of hours per day required. He asked whether General Counsel Ray was privy to the information. General Counsel Ray replied he was not. Regent Sisolak asked about student recourse if OEC were to go bankrupt. Mr. Christiansen replied that UNLV would be subject to exposure up to \$50,000 (NRS 41.035).

Regent Sisolak then referred to the second version of the contract since he did not have access to the third version. Mr. Christiansen clarified that the third version was finished at approximately 5:30 that morning to

incorporate Regent Hill's requests. Regent Sisolak referred to Reference B, page 6 of 23, contract 2. He noted that the university would first make a list of all people who will be eligible. Mr. Christiansen stated that Regent Sisolak was not looking at the contract, but rather at reference material provided by staff. Regent Sisolak observed that the second step involved scholarship selection with OEC providing UNLV with a list of persons who would be qualified for a scholarship with OEC. He noted that UNLV would then become aware of who was on that list. He observed that the third step involved final determination with selection from the list for the slots. He said this was not a blind procedure. Mr. Christiansen replied that was true only if one presupposed that admissions faculty would give more weight to an OEC scholar/fellow.

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

He said the contract stipulated that if OEC was unable to bring qualified fellows that UNLV could fill the slots with non-OEC applicants. Regent Sisolak agreed, noting that the students were preliminarily qualified in the first step of the process.

Regent Sisolak asked about the size of the starting class. Mr. Christiansen replied there would be sixteen seats. Regent Sisolak asked when it would increase to twenty-four. Mr. Christiansen said that it could increase to twenty-four after the 3<sup>rd</sup> year. Regent Sisolak asked whether it must increase after the third year. President Harter and Mr. Christiansen said there was no obligation to increase class size. Regent Sisolak asked about the outcome if only sixteen seats were offered after the third year. Mr. Christiansen replied that OEC would have the ability to fill eight seats if they located UNLV-qualified candidates, and there would be eight non-OEC seats. Regent Sisolak asked where that was stipulated, noting that page 7, line 2 of the second contract stated that OEC would provide up to twelve OEC scholarships at the beginning of the third entering class, with no mention of program expansion. Mr. Christiansen referred to the final contract, section 3.2, page 7, which stated that “*if OEC fellowships are not filled at least 30 days prior to matriculation, UNLV reserves the right to fill the positions up to the approved enrollment limits of the program.*” He noted that it would be changed to read “*30 days after matriculation*”. Regent Sisolak stated that OEC would provide an OEC scholarship to up to twelve residents beginning with the third entering class. Mr. Christiansen replied that would occur only if the program was expanded to twenty-four people. Regent Sisolak asked where that was stipulated. Mr. Christiansen was unable to identify the location in the contract. Regent Sisolak said he wanted to know where UNLV had to expand from 16 to 24. He felt that OEC would receive 12 seats in the third year even if the program was not expanded. President Harter explained that UNLV would need to receive accreditation to expand the program to twenty-four. Regent Sisolak asked about the consequences if the program was not expanded. President Harter replied that UNLV would simply not fill the slots. Regent Sisolak stated that OEC would receive 8 out of 16 seats in the second year. If the program is not expanded, he contended that OEC would receive 12 out of 16 seats. Mr. Christiansen related that OEC would only get 12 seats if the program expanded. Regent Sisolak requested General Counsel Ray's assistance. Mr. Christiansen related that UNLV's obligations were outlined on page 4 of contract 2. The contract stipulated there would be 16 residents. UNLV will use reasonable efforts to promote the program and to obtain accreditation, which presupposed that the American Dental Association would need to return and allow for more seats in order for the program to expand. Regent Sisolak stated that the third contract indicated that OEC would receive 12 slots in the third year. President Harter agreed that OEC would receive 12 seats at that point in time, adding that UNLV would seek to expand the program from 16 to 24. Regent Sisolak observed that the contract did not address that. President Harter agreed that the contract was silent. Regent Sisolak summarized that OEC would receive 8 of the 16 slots in years 1 and 2 and would receive 12 in the 3<sup>rd</sup> year. President Harter said that was based on the assumption that UNLV would get a minimum of 4 seats if the program were not expanded. She said it was UNLV's expectation to expand the program at that point.

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

Regent Rosenberg noted a point of clarification, asking whether OEC would still receive 12 slots (and UNLV 4) even if the program was not expanded. President Harter replied that they would, adding that UNLV was planning to expand the program.

Chair Anthony asked whether Regent Sisolak wanted to request an amendment to the motion to mandate that 12

seats would only be offered if the program was expanded. Regent Sisolak felt OEC slots should remain at 8 unless they request Board permission for more seats if the program is expanded. Chair Anthony said that Regent Sisolak would need to ask the maker of the motion to amend the motion. Regent Sisolak said he still had more questions.

Regent Sisolak then discussed the non-compete clause (*contract #2, page 11*). He observed that UNLV would be hiring local orthodontists as faculty. He asked about the outcome if one of them donated a practice to the Foundation. President Harter replied that they had not done that thus far. Regent Sisolak said that a practice could not be donated. President Harter replied that they could donate a practice, adding that one had not been donated thus far. Regent Sisolak observed that if a practice were located within 10 miles of any clinic that OEC owns it could not be donated to UNLV. President Harter replied that UNLV could not own a competing business, but felt that if an orthodontic clinic were donated they would work to integrate it into the program in a non-competitive format. Regent Sisolak stated that it could not compete with an OEC clinic. Mr. Christiansen clarified that a clinic operated for the purpose of educating residents in the program would be allowed. Regent Sisolak asked whether OEC would accept an amendment to retain the 8 OEC seats. President Harter did not believe that they would accept that amendment, adding that the business plan was based upon 8/8 and 12/4 with the understanding that UNLV would move forward with the accrediting body to increase the program size. She reminded the Board that any slot (*of the 16*) that was not filled by OEC residents would be filled with other qualified candidates. Regent Sisolak observed that OEC could own three-fourths of the program if program expansion was not accredited. President Harter explained that it was a privately funded venture, agreeing that it could very well happen. She observed that without their commitment UNLV would have no orthodontic residency or seats for anyone. Regent Sisolak established for the record that after 3 years it was certain they would get 75% of the slots, while it was uncertain how many slots would be offered. President Harter said it would be a maximum of 75%.

Regent Derby stated that public-private partnerships are the wave of the future, without which UCCSN would not have programs such as the orthodontic residency. She felt it was naïve to expect that any kind of partnership would not have benefits for each side. Private interests that put forth money are interested in some benefit to themselves, just as public enterprise is interested in benefits for themselves. She appreciated the due diligence the Board had taken in this matter. She felt the arrangement was a great benefit to UNLV and to the community. She noted that thousands of people would have access to a specialty kind of dental care that they would not otherwise have. She felt it was important not to overlook this benefit. She noted there were other benefits that would accrue to UNLV over a period of many years that would benefit this and other specialty programs. She felt the Board should not forget that there are many universities lined up

##### 5. Approved-Orthodontic Residency Program, UNLV – (*Cont'd.*)

that would be very interested in such an opportunity. Regent Derby asked the chancellor's opinion.

Chancellor Rogers said that it broke his heart to listen to the discussion, adding that this is a good program. He said that nothing was perfect in this world. He said that if the Board killed this program they would make it very difficult for him to do the things that he wanted to do and for the presidents to develop other public-private partnerships. He said he had not seen an alternative to this offer. He noticed the local orthodontists had complained about the program but had not offered any alternatives. He noted that Regent Sisolak had not proposed an alternative to the program. He asked to discuss the problem of "indentured servitude". Chancellor Rogers said he had read the contract very carefully and had analyzed it. The amount of money these individuals will be making is not exactly chickenfeed. He said he has a cousin who is a board-certified internist, cardiologist, and anesthesiologist who attended Duke medical school. He was put through medical school by the Navy. His agreement with the Navy did not provide that he would be making \$250,000/year for six years after getting out of medical school. It provided that he would make the income of a lieutenant commander (*\$70,000/year*). It did not require nor allow him to pick the place where he would serve the six years (*indentured servitude*) to repay what the government had paid for his education. He did not agree with the reference to indentured servitude, adding that there are no free rides in this world. He said the program may not be perfect, adding that nothing was. He observed that UNLV is not putting up any money for this and that OEC must be given something in return. He said UCCSN was gambling that OEC could end up with two-thirds or



three-fourths of the total enrollment after the third year if UNLV is unable to expand the program. He noted that there would be no seats available in the third year if the Board voted against the proposal rather than four seats if they approved it. He said the Board could pick the proposal apart until it was destroyed and shamed them for such action. He felt it was a great program that would allow people to move forward in the community to develop other partnerships that would benefit the university. He urged Board approval of the proposal.

Regent Alden stated that it would be acceptable if it truly was a blind process and no one knew who had the scholarships. He was bothered that one Board member could sign an agreement as an attorney to get a copy of the contract while others could not. He felt it was not an even playing field and that it was not a blind process.

Regent Alden moved to table the matter. Regent Sisolak seconded. Upon a role call vote the motion failed. Regents Alden, Rosenberg, and Sisolak voted yes. Regents Anthony, Bandera, Derby, Dondero, Hill, Schofield, Seastrand, and Whipple voted no. Regents Howard and Kirkpatrick were absent.

Regent Rosenberg said he was most bothered by the process. He said that he tended to agree with most of what Chancellor Rogers had to say. He was irritated that one member received more information than the rest of the Board. He asked why the contract between

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

OEC and the student was so secret. He asked what was the proprietary thing that no one could know about except for the person signing the agreement. He asked whether there was something in it that he really needed to know. President Harter replied that the contract involves a commitment of the doctor to a practice with certain equity in the practice (*i.e., stocks and equity*), as well as salary increases for the length of service, also reveals the amount of money that can be made in the practice. The corporation believes that is proprietary and should not be released to the public. The information can be completely discussed with the candidate and the candidate's lawyer can thoroughly examine it.

Regent Rosenberg suggested that when the Board receives copies of contracts that may be in draft form, that the document include the date and, if need be, the hour of revision. He said he was nervous about doing so, but he would support the proposal. He said he was uncomfortable. He was comfortable that mature adults, who would have legal counsel, would walk into this with their eyes wide open. He acknowledged that this was the direction the Board would have to go if they wanted to have certain things.

Regent Whipple stated that he supported the proposal. Concern was expressed that this program would lack credibility. He felt the program would provide opportunity to people who would otherwise not become an orthodontist. He recalled there had been concern that the law school would not be credible and that there were enough lawyers. He observed that the law school had brought more jobs to Las Vegas and had been a tremendous asset. He noted the concern expressed about the contract, adding that adults would have the opportunity to review the contract and to seek legal advice. He recalled the concern expressed from a recent orthodontic graduate that the program would create two classes of students within the program. He said that he went to law school with students in the military and in Job Corps., who now make less money than he does. He said that he did not respect them any less nor did he feel that they worked less hard than he. He felt they merely chose a different route. Regent Whipple addressed the concern about an attempt by OEC to monopolize a public entity and make money off of the public taxpayer. He felt that UNLV would benefit from this and that it was not a monopoly. He said that other entities could propose a similar model in other programs. He said he would support the program for those reasons.

Upon a role call vote the motion as amended (*with 4 changes*) carried. Regents Anthony, Bandera, Derby, Dondero, Hill, Rosenberg, Schofield, and Whipple voted yes. Regents Alden, Seastrand, and Sisolak voted no. Regents Howard, and Kirkpatrick were absent.

6. Public Comment – Ms. Jocelina Santos, GPSA Student Body President-UNLV, thanked the Board for awarding her the Regents' Scholar award. She also thanked the Board for the opportunity to learn from them during her service as GPSA president. She then thanked Dr. Jane Nichols and all System employees for being so open and willing to help students. She then introduced the new UNLV GPSA President, Mr. George Ambriz.

7. New Business – None.

The meeting adjourned at 12:31 p.m.

Suzanne Ernst  
Chief Administrative Officer