

BOARD OF REGENTS

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

Aspen Building, Sarah Winnemucca Hall
Western Nevada Community College
2201 W. College Parkway, Carson City
Thursday-Friday, April 14-15, 2005

Members Present: Dr. Stavros S. Anthony, Chair

Mr. Mark Alden
Dr. Jill Derby
Mrs. Thalia M. Dondero
Mrs. Dorothy S. Gallagher
Mr. Douglas Roman Hill
Mrs. Linda C. Howard
Mr. James Dean Leavitt
Mr. Howard Rosenberg
Dr. Jack Lund Schofield
Mr. Douglas R. Seastrand
Mr. Steve Sisolak
Mr. Bret Whipple

Others Present: Interim Chancellor James E. Rogers

Assistant Chancellor Trudy Larson
Vice Chancellor, Finance & Administration Buster Neel
Interim Vice Chancellor, Academic & Student Affairs Chris Chairsell
Interim Vice Chancellor, Technology Becky Seibert
Vice Chancellor, Legal Affairs Dan Klaich
Assistant Chief Counsel Brooke Nielsen
President Richard Carpenter, CCSN
President Stephen Wells, DRI
President Paul Killpatrick, GBC
President Fred Maryanski, NSC
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. Darren Divine, CCSN; Dr. Vic Etyemezian, DRI; Ms. Kathy Schwandt, GBC; Dr. Francine Mayfield, NSC; Ms. Bridgett Boulton, TMCC; Dr. Jane McCarthy, UNLV; Dr. Leah Wilds, UNR; Mr. Richard Kloes, WNCC; and Ms. Sara Velez Mallea, System Administration. Student government leaders present included Ms. Michelle Hammond Urain, GBC; Ms. Nichole Shaffer, NSC; Ms. Alanna Stewart-Bell, TMCC; Mr. Henry Schuck, UNLV; Mr. George Ambriz, UNLV-GPSA; Mr. Jeff Champagne, UNR; Ms. Jessica Muehlberg, UNR-GSA; and Ms. Jenny Gentine and Ms. Elizabeth Contreras, WNCC.

Board Chair Stavros Anthony called the meeting to order at 1:00 p.m. on Thursday, April 14, 2005, with all members present except Regent Whipple.

Pastor Jerry Hanley from St. Teresa of Avila Catholic Community offered the invocation.

1. Introductions – President Lucey introduced WNCC’s newly elected Student Body President, Ms. Elizabeth Contreras, and thanked outgoing Student Body President, Ms. Jenny Gentine, for her service. Ms. Gentine invited attendees to attend a reception in WNCC’s new library and student center following the meeting.

President Harter introduced UNLV’s newly elected Student Body President, Mr. Peter Goatz, and incoming Faculty Senate Chair, Dr. Clint Richards. She thanked outgoing representatives, Mr. Henry Schuck and Dr. Jane McCarthy for their service.

President Lilley introduced UNR’s newly elected Student Body President, Mr. Jeff Champagne.

President Wells introduced DRI’s incoming Faculty Senate Chair, Dr. Paul Verburg, and thanked outgoing representative, Dr. Vic Etyemezian for his service.

2. Chair’s Report - Chair Stavros S. Anthony thanked President Lucey and WNCC for hosting the meeting. He reported that on Sunday, February 13th, the UCCSN held a College Goal Sunday event, which was designed to help students and their parents learn how to complete complicated federal financial aid forms. The event was held at ten sites in Nevada, with more than 300 students and their families participating, and had a positive rating from 93% of the attendees. The UCCSN will be hosting this statewide event again in January 2006.

Chair Anthony reported that agenda items #32 (*Personnel Session, Chief Administrative Officer Suzanne Ernst*) and #33 (*Chief Administrative Officer Contract*) had been withdrawn. He related that he and Vice Chair Derby had been evaluating responses to the surveys submitted. Many comments were received about performance and personnel issues. He felt that more time was needed to correlate the information for presentation to the Board. Additionally, comments were provided about that office and the assignment of duties, with many questions about restructuring the office. He said they would bring forward a personnel session as well as a recommendation/discussion of the entire office at a future meeting.

Interim Chancellor Rogers requested that Supplemental Agenda item #43 (*Appointment of James Rogers as Permanent Chancellor and Stopping the On-Going Chancellor Search Process*) be withdrawn. He thanked Regent Hill for his support in attempting to expedite the process. While he felt it was important for the chancellor to be appointed prior to the end of the Legislative session, he said they would all be better served if the search continued. Regents Hill, Gallagher, Howard, Schofield, and Seastrand agreed to the request.

3. Approved-Resolution #05-02, UNR Men’s Basketball Team - The Board approved a resolution honoring the UNR Men’s Basketball team for their exemplary performance during the 2004-05 season. The team finished the season 25-7, won the Western Athletic Conference regular season title, and advanced to the NCAA tournament for the second straight year (*Ref. A on file in the Board office*).

UNR Athletic Director Cary Groth, Assistant Athletic Director Cindy Fox, and Coach Mark Fox accepted the award.

Regent Sisolak moved approval of Resolution #05-02 honoring the UNR men’s basketball team. Regent Derby seconded. Motion carried. Regent Whipple was absent.

4. Approved-Resolution #05-03, UNLV Men’s Basketball Team – The Board approved a resolution honoring the UNLV Men’s Basketball team for their exemplary performance during the 2004-05 season. The team finished the season 17-14 and played in the National Invitation Tournament for the fourth consecutive season where they advanced to the second round (*Ref. B on file in the Board office*).

President Harter accepted the award.

Regent Alden moved approval of Resolution #05-03 honoring the UNLV men’s basketball team. Regent Howard seconded. Motion carried. Regent Whipple was absent.

5. Approved-Resolution #05-04, UNLV Women's Basketball Team - The Board approved a resolution honoring the UNLV Women's Basketball team for their exemplary performance during the 2004-05 season. The team finished the season 16-15 and played in the National Invitation Tournament for the fifth consecutive season (Ref. C on file in the Board office).

President Harter accepted the award.

Regent Alden moved approval of Resolution #05-04 honoring the UNLV women's basketball team. Regent Rosenberg seconded. Motion carried. Regent Whipple was absent.

Chair Anthony praised the latest edition of the *Regents' Review* and thanked President Lucey for the WNCC polo shirts and coffee cups.

6. Information Only-Chancellor's Report - Interim Chancellor James E. Rogers reported that the Board's legislative team (*Mr. Dan Miles, Vice Chancellor Dan Klaich, and Assistant Chancellor Trudy Larson*) was one of the finest in recent history. They were attempting to move various bills through the legislative process that are of great importance to the UCCSN. Several meetings have been held with Clark County regarding the System's belief that Nevada's counties should be contributing funds to support the

6. Information Only-Chancellor's Report – (*Cont'd.*)

local universities and community colleges. A recent discussion with the Clark County Commission chairman revealed there could be land available for System use. There is a continued effort on everyone's part to develop public/private partnerships. A formalized agreement is expected with the Nevada Cancer Institute. Mr. Larry Ruvo is assisting with the development of a \$35-\$40 million Alzheimer's facility. Aggressive discussions have been held with legislators. The Governor's initial recommendation totaled approximately \$96 million for the UCCSN. A new Capital Improvement Project (*CIP*) list has been developed, which includes an additional \$10 million (*UNR School of Medicine to be jointly used by Mr. Whittemore's proposed plan for the Nevada Cancer Institute*). The Whittemore's have pledged an additional \$4 million. Aggressive efforts continue in pursuit of state funding for UCCSN projects and the development of private sector agreements. The most recent CIP list totals approximately \$200 million (*approximately \$100 million more than the Governor's recommendation*). The Estate Tax will provide \$29 million, with the remainder to be funded by what is hoped to be a substantial surplus. Extensive testimony has been provided regarding the need for a new computer system.

7. Information Only-2005 Legislation Affecting the UCCSN or the Board of Regents – The Board reviewed bills introduced in the 2005 Legislative Session affecting the UCCSN/Board of Regents. The review included bills concerning the Open Meeting Law, the Millennium Scholarship, miscellaneous proposals for UCCSN programs, and other bills. The Board also reviewed and discussed proposed legislation (Ref. D on file in the Board office).

Vice Chancellor Klaich praised the extraordinary team effort provided by Dr. Trudy Larson, Mr. Buster Neel, Mr. Larry Eardley, Mrs. Ginny Wiswell, Dr. Chris Chairsell, Mr. Tyler Trevor, and other staff. He began with a discussion of the lease/purchase bill:

- · An amendment to Nevada statute has been proposed that would allow UCCSN to take advantage of various alternative financing schemes. The bill recognizes the tremendous under building of the UCCSN's infrastructure. UNLV claims a 1.7 million-sq. ft. space shortage (*totaling approximately \$3.4 billion*). Since the state is unable to provide funding at such levels, more proactive efforts are required to identify better financing vehicles. A bill has been introduced with the assistance of Senator Warren Hardy, which is out of the Senate and moving to the Assembly and being watched closely.
- · An argument can be made regarding the layers of cost/inefficiency imposed on Public Works projects that cannot currently be afforded. The chancellor has indicated his desire for UCCSN to be exempted from the Public Works process. Since deadlines were missed for introducing a System bill, the legislative team is working with a number of people to address this issue. Assemblyman John Carpenter is sponsoring a bill that was recently voted out of the Senate Human Resources. Senator Mark Amodei has another bill exempting Clark County School District from the Public Works process because no one in Clark County can handle the buildings

being constructed by the Clark County School District. Due to the tremendous volume, CCSN has developed its own building department. After testimony revealed that significant money could be saved, Vice Chancellor Klaich requested that UCCSN be included. A proposed

7. Information Only-2005 Legislation Affecting the UCCSN/Board of Regents –(Cont'd.)

amendment would give UCCSN until December 31, 2006 to propose to Interim Finance a plan displaying a coherent, System-wide building department that could act independently on behalf of the Board. Work will continue with the institution business officers if the permissive language is passed to see whether this can be accomplished and whether efficiencies can be realized.

Dr. Larson provided a synopsis of UCCSN's five bills:

- · AB 62 – The request for international students, faculty, and their dependents' driver's licenses is still in committee.
- · SB 410 – The exemption from using the State purchasing department for pharmaceutical and medical supplies received a "due pass" from committee and is now headed to the floor for movement to the other house. The bill addresses efficiency and cost effectiveness that the School of Medicine feels it can accomplish better than the State purchasing department.
- · AB 527 – The UCCSN name change (*Nevada System of Higher Education*) was approved unanimously. The bill, currently being heard on the floor, should pass to the other house, and would become effective upon passage. As supplies are depleted they can be re-ordered with the correct name. A \$1,000 total fiscal impact was approved by the Board in connection with the name change.
- · SB 32 – Changes the residency requirement for in-state fees to twelve months. The bill passed out of Education and has been referred to Finance.
- · AB534 – A request for bonding authority for CCSN and WNCC, as well as increased bonding authority for UNR and UNLV. The bill has been heard in committee once and is exempt from the bill deadline.

Vice Chancellor Klaich praised the efforts of the campus liaisons for their magnificent cooperation. They have tracked the appearances of campus representatives and provided requested information in a timely manner. Thus far, these efforts have worked incredibly well and the legislative team could not have operated without their assistance.

Interim Vice Chancellor Chris Chairsell reported on bills affecting the Millennium Scholarship:

- · AB 153 – Revises provisions of the Millennium Scholarship program, implementing a flat rate to replace per-credit payments. The flat rate would comprise twelve credits at the universities and the state college, and six and twelve credits at the community colleges (*in recognition of the two types of students at the community colleges*). One requirement involves no payment from the Millennium Scholarship for remedial courses or summer school. The bill is attempting to address some of the cash flow problems experienced by the Treasurer's office. Millennium students would be required to complete the FACSA financial aid form. The Board of Regents would be required to create exceptions to Millennium Scholarship criteria for students with documented disabilities. The bill was referred to the Assembly Ways and Means Committee and has not been heard three times at this point.
- · AB 223 – Requires students to complete the FACSA financial aid form. Students receiving Pell or other grants would receive reduced Millennium funds. Funds will not exceed the cost of attendance.

7. Information Only-2005 Legislation Affecting the UCCSN/Board of Regents –(Cont'd.)

- · AB 85 – Requires students to perform twenty hours of community service for eligibility. This has been heard three times by the Committee on Education and looks favorable for floor action.
- · AB 305 – Requires students to take an advanced placement course for Millennium Scholarship eligibility. The Millennium Scholarship core curriculum approved by the Board for eligibility of students graduating in 2010 intends to increase the challenge and may negate the need for this bill.
- · SB 453 – The Treasurer's office has agreed to sell unclaimed property to generate bonds, which would inject \$8 million into the Millennium Scholarship fund. A separate portion of money will be devoted to research and development in the State due to the efforts of Regent Dorothy S. Gallagher. The AB 203 Committee recommended that UCCSN emulate the Georgia model.
- · AB 280 – Addresses transferability. It was agreed to remove the Associate of Applied Science degree from this requirement since these students are vocational students seeking a skill-based degree, and would likely not

perform well when transferring into junior status at one of the universities or the state college. Bachelor of Science degrees are being created at Nevada State College and Great Basin College to facilitate the transfer of students wishing to obtain a baccalaureate degree. The bill also addresses access to libraries. Access to the databases must be monitored due to licensing cost concerns. It was felt that undergraduate students do not require access to the same databases as Ph.D. candidates. A prediction is made regarding how many students will use the databases based upon FTE. When estimates are exceeded, licensing penalties ensue. Assemblywoman Chris Giunchigliani agreed to remove language regarding full access to libraries. Students will be advised to which databases they have access. An item was also included encouraging the Board of Regents, with the AB 203 Committee, to review the missions of the UCCSN institutions and to determine which programs are most appropriate at each institution. Two issues still remain: 1) The dual credit bill requires the Board of Regents and the State Board of Education to allow teachers to teach dual credit courses with a master's degree. There are accreditation issues since faculty usually determine the credentials of their peers. 2) The definition for Public Works has a limit of \$100,000, which is felt to be too low.

Vice Chancellor Klaich addressed the Open Meeting Law. Ten major pieces of legislation were introduced regarding this issue. He thanked the Board for passing a policy demonstrating the Board's commitment to the law.

- · SB 83 includes extensive due process guarantees for closed sessions that were directed solely at the Board of Regents. The bill has been amended to apply to every public board in Nevada.
- · The Attorney General attempted to include in statute the distinction between “*consider*” and “*deliberate*”. The legislative team testified against this bill, clarifying that the Board, pursuant to agreement, was doing its best to adhere to the current interpretation. The legislative team requested the Board be allowed to discuss private matters in a private setting and reminded the Senate committee that the Open Meeting Law is built upon: 1) the right of the public to be fully

7. Information Only-2005 Legislation Affecting the UCCSN/Board of Regents –(Cont'd.)

informed about the business of public bodies, and 2) a person's right to privacy. The Attorney General's bill died, affording UCCSN the ability to discuss with a future Attorney General whether or not the Board's Open Meeting Law policy should be revised or whether a new Attorney General might change their position with respect to this matter.

- · Another revision suggesting that public bodies may not meet with their attorneys to discuss litigation also failed.
- · The Attorney General introduced a bill for broad subpoena power and the imposition of fines, which was also believed not to have passed. The Senate committee expressed some concerns about the Attorney General acting as judge, jury, and collection agent.

Vice Chancellor Klaich believed that UCCSN survived Open Meeting Law discussions in fine order.

Vice Chancellor Klaich reported that, during that morning's budget hearing, Regent Alden had asked a question about reverting money back to the state. A bill is currently pending to allow the retention of reversions for K-12.

Vice Chancellor Klaich reported that AJR 11 passed through the Assembly and would be monitored for Senate action. There is also a provision in AB 280 to reduce the term of Regents from 6 to 4 years.

Vice Chancellor Klaich related there has been much discussion regarding student fees. The current fee structure is very complicated. The issue raised addresses the portion of those fees allocated to the general fund as opposed to being earmarked for a specific purpose. The Board's policy for retention of a portion of fees for need-based scholarships was addressed.

Vice Chancellor Klaich said it had been a pleasure to notify the legislative committees about positive Board actions (*i.e. common course numbering, transferability, National Guard fee waivers*). A challenge for the next biennium will involve Board review of its overall relationships in the Nevada educational continuum (*i.e., how students are treated*).

Regent Howard was disappointed that more information had not been provided regarding AJR 11. She reminded

Board members that an assemblywoman was working diligently to eliminate the people's choice by making the Board an appointed one. Regent Howard said she was working hard to ensure this does not occur. She requested that her letter to the Senate be included as part of the record.

Assistant Chief Counsel Nielsen related that it could be made part of the record if the letter related to that particular matter before the Legislature.

Regent Howard wanted to make her position on this issue clear. She said she was disappointed with the Board's representation in the Legislature on this matter. She did not feel the Board's message had been clearly conveyed. She noted that Board members do not receive free cell phones or \$5,000 host accounts. She said she was disappointed

7. Information Only-2005 Legislation Affecting the UCCSN/Board of Regents –(Cont'd.)

with the manner in which the Board's message was conveyed, adding that the Board did not wish to become an appointed board because it was not best for Nevada.

Regent Howard asked about the reduction in term lengths for Board members. Vice Chancellor Klaich clarified that AB 280 addressed that issue. He felt it was unconstitutional and clearly encroached upon the powers reserved for the Board of Regents by the Constitution. One provision would reduce Board member terms from six years to four. A 2004 survey revealed that a term of four years or less is out of the ordinary and that six-year (*or longer*) terms are the norm. She felt the people should make decisions relative to education and that a stronger defense was required in Carson City. Vice Chancellor Klaich agreed to do so. She also recommended that Regents Dondero's and Schofield's letters also be entered into the record.

Regent Leavitt commended Regents Howard, Schofield, Derby, and Dondero for preparing strong letters of support for maintaining an elected board. He asked whether a strategy existed for a proactive response to AJR 11 that at least conveyed the Board's position on this matter. Vice Chancellor Klaich replied there was not. He related that AJR was out of the Assembly and that nothing could be done until the following Monday. The UCCSN legislative team will target those senators believed to be the most likely to support the Board's position. Regent Leavitt suggested the Board receive a commitment from the chancellor and the lobbyists to discuss this matter with each senator. He said that Board members had deferred to the legislative team in the interest of efficiency, noting that this issue was the Board's highest priority. Vice Chancellor Klaich assured Board members that he would speak with every senate member and that he would encourage the chancellor to do the same. Regent Leavitt commended Vice Chancellor Klaich for his efforts.

Regent Dondero asked whether the bill related to the private meetings of public boards also applied to the Legislature. Vice Chancellor Klaich replied the Legislature was exempt. The Nevada Supreme Court's interpretation of Nevada Revised Statutes finds that the Legislature may enact statutes on matters of general application to all state bodies and not overstep the Board of Regents' constitutional authority, which has occurred in this case. The Legislature has the authority to enact a general statute pertaining to general welfare applicable to all state bodies, including the Board of Regents. It has taken the liberty of exempting itself from those provisions.

Regent Gallagher clarified that she had not appeared in representation of the Board of Regents concerning the Georgia plan, though it would be of great value to the Board. She was asked by private individuals to testify. She commended Vice Chancellor Klaich's efforts and Regent Howard's letter.

Regent Sisolak asked about further discussion concerning AB 203, under-funding at WNCC, UNLV, and CCSN. Vice Chancellor Klaich replied that a follow-up bill to the AB 203 Committee provided for a follow-up, interim committee to continue studying, including certain aspects of financing. It has not yet emerged from committee. Regent Sisolak said the Board was committed to what the study revealed. The report identified

7. Information Only-2005 Legislation Affecting the UCCSN/Board of Regents –(Cont'd.)

areas that need desperately to be addressed. He wanted in some manner to move the matter forward.

Regent Derby stated that Senator Hardy was following the matter closely. One of the main recommendations of the bill was the implementation of the recommendations. Regent Sisolak asked whether anything had been done at the presidential/campus level to implement the recommendations.

Vice Chancellor Chairsell replied that many of the recommendations stipulate that, "*the Board of Regents and the Legislature will do the following...*". They must wait until the Committee to Advance Higher Education is created (*or the Legislature decides what to do*). The few recommendations stating that, "*the Board of Regents shall...*" are currently being acted upon. She said they were waiting for the partnership to form.

Regent Howard noted that the report from the Committee to Evaluate Higher Education did not adequately address the abysmal graduation rates, which she felt should have been one of the priorities discussed. Vice Chancellor Chairsell did not recall a specific reference to graduation rates, but did recall recommendations that evaluate how students are placed and assessed and everything the UCCSN does with student services. Regent Howard said there was nothing that directly addressed the problem that exists. Vice Chancellor Klaich stated that it was a topic of common concern, adding that it related to remedial education, student advisement, requirements and mission differentiation. Regent Howard suggested scheduling a meeting with the school board trustees to address grade inflation at the high school level.

President Harter said that AB 203 included a directive that the chancellor will bring forward to the next interim committee a strategic plan to deal with the financial issues that were described in that study.

President Lucey concurred with President Harter, adding that they were waiting for AB 203 to generate another interim committee.

President Carpenter observed that AB 203 did not empower the presidents directly. There is a tangential reference to the performance of the System with respect to retention and graduation rates. UCCSN spends proportionately less for student support than any other system. CCSN spends the least of any college in the System. There is a direct relationship between resources allocated to student support and student success. CCSN is in the process of rebuilding its student services and student affairs operations in attempt to realize the maximum efficiency and to directly address the retention rates. The responsibility rests with the committee, the Board of Regents, and the Legislature.

Regent Sisolak suggested a future agenda item to determine a better clarification of the current status. He was concerned that the smaller institutions needed to be heard. He wanted to ensure that the Board honored its commitment to review the report and implement its findings. Chair Anthony agreed to do so.

7. Information Only-2005 Legislation Affecting the UCCSN/Board of Regents –(Cont'd.)

Regent Schofield stated that he served for eight years in the Legislature and felt no less important as a University Regent. He felt they were all providing a service for the people of Nevada. The wisdom of retaining Nevada's Constitution was often discussed. He felt that AJR 11 did not address an extreme emergency or reason for altering the Constitution. He felt the Board was comprised of good people doing a good job. He was disturbed that AJR 11 would provide the Governor with more power. While he believed that Governor Guinn would make good appointments, he was concerned that a future governor might not. He felt that Regent Howard wrote a fantastic letter to each Senator. He asked that his letter also be included in the record. He observed that the Board would need to concentrate its efforts on the people if the measure passed. He felt that reducing the Board size was not a good proposal, adding that each of the current members were required for all of the work to be done. Regent Schofield was pleased that the name change had passed, adding that UCCSN had been easily confused with the community college's name. He concluded by saying that AJR 11 would be a real disservice to the citizens.

Vice Chancellor Klaich stated that the revised Capital Improvement Project list included a building that had not been approved by the Board. He related that the building for the Nevada Cancer Institute had been included in the Governor's State of the State address. He emphasized that the legislative team was pressing for the Board's priorities, but did not want the Board to be surprised by any developments.

8. Information Only-Public Comment – Ms. Jessica Muehlberg reported this would be her final meeting and encouraged the Board not to forget the graduate students. She reminded the Board about three indicators that focus on student success: persistence, financial aid, and graduation rates. The key indicator that the System has chosen to use for persistence is the percent of first-time, full-time freshmen returning for a second year of enrollment. For student financial aid, the key indicator is the percent of first-time, full-time degree-seeking students receiving financial aid. The key indicator for graduation rates is the percent of first-time, full-time degree-seeking students graduating within 150% of expected completion time. Graduate students are not included. She noted that graduate students perform important roles assisting with teaching and research. She encouraged the Board to reconsider the key indicators to include graduate students.

9. Approved-Consent Agenda – The Board approved the Consent Agenda with the exception of items #7 (*Permission to Negotiate Property, TMCC*), #10 (*Permission to Negotiate Sale or Lease of Real Property, 5305 Mill Street, Reno, UNR*), and #11 (*Permission to Negotiate Sale or Other Disposition of Real Property, UNR*), which were approved separately.

(1) Approved-Minutes – The Board approved the minutes from the regular meeting held February 4, 2005, the revised December 2, 2004 Audit Committee minutes, and the UNR Foundation minutes from February 4, 2005.

9. Approved-Consent Agenda – (*Cont'd.*)

(2) Approved-Tenure – The Board approved the UCCSN presidents' recommendations for awarding tenure to the following faculty members. Each applicant met the standards for tenure in the UCCSN Code and was positively forwarded by his or her institution following a peer review process.

CCSN – (*Ref. C-2a on file in the Board office*).

Dr. Mehdi Afiat Mr. Paul Thomas Billings Ms. Sharon S. Brooks
Mr. Keith Conley Ms. Levia Dinardo Mr. Carlos J. Ezeta
Ms. Judith A. Fightmaster Ms. Deborah Lynn Hamilton Mr. Joseph Michael Hammond
Dr. Joshua S. Levin Mr. Rick Marks Ms. Patricia L. Mitchell-Gerber
Mr. Thomas Myers Ms. Dawn L. Nelson Mr. Mark S. Olson
Ms. Mahima Pandey Ms. Kenya R. Pierce Mr. Joseph J. Quagliano
Mr. Robert L. Shkorupa Ms. Shruti Tandon Mr. George Tarkanian
Ms. Karen Thompson-Farmer Mr. Allan Tucka Ms. Jana R. Wolf

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GBC – (*Ref. C-2b on file in the Board office*).

Dr. Linda Uhlenkott Dr. Gary Hanington Ms. Karen Mowrey
Ms. Merri Lynette Mcfarlan

TMCC – (*Ref. C-2c on file in the Board office*).

Mr. Scott Allen Mr. Wes Evans Ms. Christina Scally

UNLV – (*Ref. C-2d on file in the Board office*).

Dr. Megan Becker-Leckrone Dr. Lisa Bendixen Dr. Lori Candela
Dr. Hokwon Cho Ms. Su-Kim Chung Ms. Jennifer Church
Mr. Sean Patrick Clark Dr. David Corsun Dr. Bradford Eden
Ms. Jennifer Fabbi Dr. Mark Floyd Dr. Robert Futrell
Dr. Kendall Hartley Mr. Phil Hubbard Dr. Julian Kilker
Dr. Andrew Kirk Dr. Laura Kruskall Mr. David Loeb
Dr. Anna Lukemeyer Dr. Robert McCord Dr. James McWhorter
Dr. John Mercer Ms. Toby Murray Dr. Giuseppe Natale
Dr. Michael Nussbaum Dr. Margaret Oakes Dr. Lori Olafson
Dr. Thomas Piechota Dr. Mary Riddel Dr. Stephen Roberts
Dr. Barbara Roth Mr. Keith Rowley Dr. Jeffrey Shih
Dr. Lloyd Stark Ms. Shannon Sumpter Mr. Tom Warrington

Ms. Helga Watkins Dr. Janet White Dr. Matthew Wright
Dr. Cheri Young Dr. Zhongbo Yu Ms. Xiaoyin Zhang

UNR – (Ref. C-2e on file in the Board office) .

Dr. Franco Biondi Dr. Deborah Davis Dr. Paul G. Devereux
Dr. Patricia Eubanks May Dr. Michelle Fridland Dr. Alan E. Fruzzetti
Dr. Patrick M. Ghezzi Dr. David M. Leitner Dr. Darrell B. Lockhart
Mr. James K. McAdoo Dr. Violeta N. Mutafova-Yambolieva
Dr. Anna Panorska Dr. Barry L. Perryman Dr. Gloria Messick Svare
Dr. Claus Tittiger Dr. Victor R. Vasquez Dr. Deborah C. Vigil

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

(2) Approved-Tenure – (Cont'd.)

UNR – (Cont'd.)

Dr. Wilfred L. Williams

WNCC – (Ref. C-2f on file in the Board office) .

Mr. Ron Marrujo

(3) Approved-Allocation of Grants-in-Aid, 2005-2006 – The Board approved the recommended allocations for grants-in-aid for academic year 2005-2006. NRS 396.540 provides for tuition waivers for students from other states and foreign countries based on 3% of each institution's fall headcount enrollment. Board policy provides an equal number of grants-in-aid for Nevada students and requires that the total number of grants-in-aid allocated to each UCCSN institution be approved annually by the Board. The recommended allocations are for academic year 2005-2006 and represent the total number each institution could award. In all cases, funding is not sufficient to support the maximum allowable number of grants-in-aid:

IN-STATE OUT-OF-STATE

UNR 494 494

UNLV 829 829

NSC 37 37

CCSN 1,062 1,062

GBC 77 77

TMCC 356 356

WNCC 161 161

(4) Approved-Revision to Faculty Personnel Manual, DRI – The Board approved President Stephen G. Wells' request for revisions to the DRI Personnel Manual for the faculty of DRI that will allow faculty to be more accurately evaluated (Ref. C-4 on file in the Board office) .

(5) Approved-Handbook Revision, WNCC United Student Association Constitution Revisions, WNCC – The Board approved President Carol Lucey's request for proposed amendments to the existing WNCC USA constitution, which will provide clarity for existing procedures and meet UCCSN System requirements stipulated in a recent student government audit (Ref. C-5 on file in the Board office) .

(6) Approved-Handbook Revision, Bylaws, Changes, WNCC – The Board approved President Carol Lucey's request for changes to WNCC's Bylaws (Ref. C-6 on file in the Board office) .

(8) Approved-Grant of Access Easement to Kingsbury General Improvement District on 4-H Camp Property, UNR – The Board approved President John M. Lilley's request for granting an access easement to the Kingsbury General Improvement District to construct and maintain a fifty-foot (50') water line and perform related work to the water pipeline located on 4-H Camp property (Ref. C-8 on file in the Board office) .

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

(9) Approved-Grant of Permanent Access, Maintenance Easement to NDOT, UNR – The Board approved President John M. Lilley's request for granting a permanent access maintenance easement on parcel #015-016-

P.E., P.M. 3056, located on the Nell J. Redfield Campus, to the Nevada Department of Transportation (Ref. C-9 on file in the Board office).

Regent Leavitt moved approval of the Consent Agenda with the exception of items #7 (*Permission to Negotiate Property, TMCC*), #10 (*Permission to Negotiate Sale or Lease of Real Property, 5305 Mill Street, Reno, UNR*), and #11 (*Permission to Negotiate Sale or Other Disposition of Real Property, UNR*), which were approved separately. Regent Seastrand seconded. Motion carried. Regent Whipple was absent. Regents Alden and Rosenberg abstained.

(7) Approved-Permission to Negotiate Property, TMCC – The Board approved President Philip M. Ringle’s request for authority to negotiate an agreement, contingent upon the approval of the Board of Regents, with the Washoe County School District for the sale of the 2.112⁺ -acre parcel of property located on the east side of Edison way, approximately 200 feet south of Joule Street, Reno, Nevada. During the February 10-11, 2000 Board meeting, the Board approved the purchase of this parcel of property for the purpose of constructing a technology center to be jointly used by TMCC and the Washoe County School District. As a technology center is no longer going to be built at this site, WCSD desires to repurchase the property (Ref. C-7 on file in the Board office).

Regent Sisolak requested a synopsis. President Ringle explained that TMCC and the school board developed an agreement prior to his arrival. TMCC agreed to purchase a parcel of land in between the Edison Way facility and a vocational high school in the district. The district sold the land to TMCC at a price significantly less than the appraised value with an understanding that TMCC would build a vocational training center to be shared with the school district. The proposed facility was moved to the Redfield Campus with the advanced technology center leaving that piece of land vacant. The school district has since asked whether TMCC intends to build the building because they require the shared use of the facility. Since TMCC has no plans to do so, the school district asked to repurchase the land to build their own facility, which they would agree to allow TMCC to use for evening and weekend courses. He felt that TMCC should not attempt to profit from the resale though the land is now worth more money.

Regent Sisolak asked about an obligation to receive fair market value for the property, noting that five years had passed since the original agreement. Assistant Chief Counsel Nielsen replied that the question had arisen previously and that she had conducted extensive research. No statute imposes a requirement for fair market value. Board policy (*Title 4, Chapter 10, Section 1.9*) provides some direction regarding how negotiations should take place and under what circumstances. Fair market value is subject to negotiation. The policy does not use the phrase “fair market value”, but rather requires that all sales and acquisitions of real property be arms length transactions. She related

(7) Approved-Permission to Negotiate Property, TMCC – (*Cont’d.*)

there was no specific requirement about fair market value. Regent Sisolak observed that the Board knew clearly from an appraisal that the property was worth several hundred thousand dollars more than it would be sold. He was concerned this would be perceived as disposing of assets for less than their actual worth. Assistant Chief Counsel stated there was nothing in statute to prohibit it, adding that President Ringle had noted other considerations. The school district originally sold the property to the System for less than its appraised value.

President Ringle reported that the original appraisal was approximately \$495,000. TMCC purchased the property for \$245,000. It is now worth approximately \$700,000.

Regent Seastrand asked whether any other expenses had been incurred. President Ringle replied that the lawn had been mowed a few times. TMCC has proposed selling the property for \$10,000 more than the original purchase price to avoid any expenditures. Regent Seastrand felt it was unfortunate they were returning the property and losing the appreciated value. He felt it was a good will gesture between agencies.

Regent Rosenberg felt they should make it as right as possible. They promised to do something and did not follow through.

Regent Sisolak asked whether the school district was a state agency. President Ringle replied it was a county

school district. Regent Sisolak observed the state would be subsidizing the county.

Regent Derby felt there was more at stake than just the money. They had not done what they had agreed to do. It was originally an agreement reflecting the important relationship and articulation between K-12 and higher education. She felt that doing anything other than what was proposed would violate the good will involved in that relationship and would reflect poorly on the Board. President Ringle agreed that was the dilemma. It has taken a long time to rebuild the relationship with the school district because they were very angry that TMCC had moved the potential building.

Regent Alden observed that Washoe County School District is a governmental entity just like the Board of Regents. They made a promise which was not kept. The right decision is to sell the property back at the same price in addition to any expenses associated with it. He observed they were not selling to a private entity. He understood Regent Sisolak's concerns, but felt the Board was not in the real estate business to make money. He felt they should work with other entities and do what is right. He added his support for President Ringle's proposal.

Regent Leavitt agreed with Regent Alden and applauded President Ringle for doing something that was unpopular. He felt it was the right thing to do, though he appreciated Regent Sisolak's concerns.

Vice Chancellor Klaich observed that the Board was not giving anything away. If the Board did not do this, they could be sued. There is a clear trail of evidence showing that

(7) Approved-Permission to Negotiate Property, TMCC – (Cont'd.)

acquisition of this property was contingent upon a promise for building and joint use. The contingency to build was not fulfilled.

Regent Sisolak stated that he had not reviewed the sale agreement. He felt they should have built the building if a promise had been made and that reselling the land at fair market value was not related. He felt they should honor the original commitment to build the building. He did not agree with selling the property for less than its current worth.

Regent Schofield asked why the building had not been built. President Ringle replied that when the Redfield land was gifted to the college they moved the proposed building to that site, which removed it from the joint use with the adjacent regional technical high school.

Regent Hill moved approval for TMCC to negotiate the property. Regent Schofield seconded. Upon a roll call vote the motion carried. Regents Alden, Anthony, Derby, Dondero, Gallagher, Hill, Leavitt, Schofield, and Seastrand voted yes. Regents Howard and Sisolak voted no. Regent Rosenberg abstained. Regent Whipple was absent.

(10) Approved-Permission to Negotiate Sale or Lease of Real Property, 5305 Mill Street, Reno, UNR – The Board approved President John M. Lilley's request for authority to negotiate the sale or lease of real property (*vacant land*) located at 5305 Mill Street, Reno, which is outside the current campus master plan boundaries (*Ref. C-10 on file in the Board office*).

Regent Sisolak asked about the appraisal date. Mr. Ron Zurek, Vice President, Administration and Finance-UNR, replied that the appraisal had been prepared within the last two months. He said that an updated appraisal had been provided due to the sale of a piece of contiguous property. He related that the previous appraisal valued the property at \$6 million, while the new appraisal was \$12.1 million.

Regent Gallagher asked about restrictions associated with the gift. Mr. Zurek replied that the original deeds associated with the gift do not include any restrictions or limitations. In 1981, the Board passed a resolution addressing how proceeds from any sales are handled. This is the first step in a two-step process. If UNR brings back a deal, they will address this issue within the context of the proposal.

Regent Hill moved approval of permission to negotiate the sale or lease of real property, 5305 Mill Street, Reno for UNR. Regent Gallagher seconded. Motion carried. Regent Rosenberg abstained. Regent Whipple was absent.

(11) Approved-Permission to Negotiate Sale or Other Disposition of Real Property, UNR – The Board approved President John M. Lilley’s request for authority to negotiate the sale or other disposition of real property (*vacant land, parcel #021-030-07*), a portion of the Main Station Field Lab, Reno. The subject property is outside the current campus master plan boundaries (Ref. C-11 on file in the Board office).

Regent Sisolak asked about the appraisal date. Mr. Ron Zurek, Vice President, Administration and Finance-UNR, replied that an appraisal had been ordered but had not yet been received. UNR is requesting authority to negotiate. Regent Sisolak asked whether they used a timeframe between the appraisal date and consummation of the sale. Mr. Zurek replied they never use an old appraisal. When entering into a transaction they always insist upon an updated appraisal; generally within three months.

Regent Sisolak moved approval of permission to negotiate sale of other disposition of real property for UNR. Regent Leavitt seconded. Motion carried. Regent Rosenberg abstained. Regent Whipple was absent.

The meeting recessed at 2:59 p.m. and reconvened at 3:29 p.m. with all members present except Regents Leavitt and Whipple.

10. Approved-Regents’ Scholar Awards – The Board approved the nominees for Regents’ Scholar as presented:

Regent Leavitt entered the meeting.

A. Regents’ Scholars – *Policy: Handbook, Title IV Chapter 1, Section 14 (Ref. E on file in the Board office)* :

Mr. Edward Needham, CCSN
Ms. Robbi L. Phillips, GBC
Ms. Janell Mihelic, NSC
Mr. Karl Agcaoili, TMCC
Ms. Tondra De, UNLV *Undergraduate*
Ms. AmiJo Comeford, UNLV *Graduate*
Ms. Carly Sweder, UNR *Undergraduate*
Mr. Jeff Chen, UNR *Graduate*
Ms. Barbara Day, WNCC

Regent Alden moved approval of the Regents’ Scholars. Regent Rosenberg seconded. Motion carried. Regent Whipple was absent.

11. Approved-Notice of Intent to Repeal or Rescind Prior Board Action, Discussion of Campus Environment Committee – In October 2002, the Board approved an amendment to the Board of Regents’ Bylaws (*Title 1, Article VI, Section 3a, c, and e*) to eliminate the Campus Environment Committee and to distribute the duties to other

11. Approved-Notice of Intent to Repeal or Rescind Prior Board Action, Discussion of Campus Environment Committee – (*Cont’d.*)

standing committees and to the full Board. The Board discussed and reviewed its current method for addressing campus environment issues (*i.e., diversity, status of women, and safety*) and approved action to rescind the prior decision to eliminate the Committee (Ref. F on file in the Board office).

Regent Howard said she was concerned that the Campus Environment Committee had been eliminated and that there was currently no committee to address diversity, gender, and ADA issues. She felt the Committee should be reinstated.

Regent Sisolak asked which committee was currently addressing those issues. Regent Howard replied that they were not being addressed and hadn't been addressed for the past two years.

Regent Derby recalled that, in the early 1990's, the Board realized it was behind the curve in creating a level playing field for women and minorities and the Status of Women Committee was established. In conjunction with the Minority Affairs Committee, the two committees addressed these issues with System-wide initiatives. Around 1996-97, the two committees were combined into the Campus Environment Committee. In 2002, when Regent Seastrand was Board Chair, a sense was expressed that this focus could be subsumed by the ARSA Committee. Regent Derby felt that arrangement had not worked very well because the ARSA Committee has so much of its own business to address that these issues receive less attention. She suggested the Board explore the best way to provide the necessary focus and attention to those issues.

Regent Howard felt that the Campus Environment Committee was working rather well. She did not know why the Committee had been eliminated. She felt the campus representatives had provided valuable input to the Board.

Regent Seastrand recalled that the Board had decided that since some of those issue were so important that they would be considered by the full Board. Some of the duties of the Campus Environment Committee were divided between the ARSA and Finance & Planning Committees. The remainder of those duties were to be brought forward for the full Board. He suggested that the Board might not have requested the appropriate reports. Another reason for disbanding the Committee was due to a desire to reduce the number of committees on which Board members were serving. He felt that some of those issues were important enough to justify full Board consideration.

Regent Sisolak observed there used to be four standing committees, noting that now there were three. He suggested including parking issues as part of the Campus Environment Committee's work.

Regent Derby stated that including parking on that Committee would prevent members from discussing women and minority affairs. She felt the Board required a separate parking committee.

11. Approved-Notice of Intent to Repeal or Rescind Prior Board Action, Discussion of Campus Environment Committee – (Cont'd.)

Regent Howard noted that one of the Board's master plan goals included diversity. She felt that not having a committee to address diversity issues indicated a lack of commitment. She said that these issues had not been addressed in other committees.

Regent Rosenberg moved approval of rescinding the prior decision to eliminate the Campus Environment Committee. Regent Sisolak seconded.

Regent Hill said that he could understand arguments in support of reestablishing the Committee, though he felt the scope/mission should be more carefully delineated. He felt that the Committee's previous scope seemed to be unlimited. He understood the need to address issues concerning gender and underrepresented groups. He observed that issues concerning campus safety, police, and campus morale had been included as part of the Committee's focus. He suggested the Board should carefully consider the mission before reconstituting the Committee. He felt there was sufficient time to address this at the June meeting prior to new committee appointments. He suggested that Mrs. Carla Henson would be a logical choice to staff the Committee since most of the issues were related to human resources.

Regent Gallagher noted that the Board would elect a new Board Chair in June. New committee assignments would follow. She suggested it was time for the Board to revisit the committee structure. She observed that Academic Affairs has so much business to conduct that research and student affairs were not receiving sufficient time. Since the Board now has more members, they could likely do a better job with committee assignments.

Chair Anthony asked whether Board passage of this item would recreate the Campus Environment Committee. Assistant Chief Counsel Nielsen replied that it would.

Regent Alden felt it made sense to allow a period of time to review the committee structure if the motion passed. He said he would support the motion, but felt that time should be permitted to ensure the Board did it right.

Regent Leavitt felt that if the focus were narrowed they would devote the most attention to the issues that matter most. He welcomed Board input regarding which issues were the most important to be addressed.

Chair Anthony said that, if the motion passed, they would take a period of time to determine the mission, what the Board will do, and what will be taken from other standing committees. He said he would ask Regent Howard to chair the Committee if the motion passed.

Motion carried. Regent Seastrand voted no. Regent Whipple was absent.

11. Approved-Notice of Intent to Repeal or Rescind Prior Board Action, Discussion of Campus Environment Committee – (Cont'd.)

Chair Anthony stated that Regent Howard would be the chair of the Campus Environment Committee. He suggested she consider what issues the Committee would address and whether or not the name needed to be changed.

12. Approved-Summer Session Compensation Rates and Policies, CCSN – The Board approved President Richard Carpenter's request for the 2005 summer session policies as detailed in the briefing paper (*Ref. G on file in the Board office*).

Regent Alden moved approval of the summer session compensation rates and policies for CCSN as presented. Regent Gallagher seconded. Motion carried. Regent Whipple was absent.

13. Information Only-Handbook Revision, Personnel Policy for Faculty, DRI – President Stephen G. Wells recommended a proposed amendment to the UCCSN Code (*Title 2, Chapter 5, Sections 5.5 (6) and 5.8 (5.8.1-5.8.5)*) regarding DRI salaries and continuation and termination of faculty appointments at DRI to modify wording on salaries and provide a new method of continuation funding for faculty. This was the first reading for this request with final action to be taken at the Board's June 2005 meeting (*Ref. H on file in the Board office*).

President Wells explained that DRI was proposing changes to bring the Code and DRI Bylaws up-to-date and consistent with current DRI policies, practices, and organizational structure. The last update was presented in 1992. The Code changes are linked to major provisions in DRI's Bylaws. Significant advances in DRI's structure and activities, including the formation of integrated science centers, new division structure, and substantial growth, necessitate the need for these changes to provide DRI with the flexibility to increase competitiveness and retain outstanding faculty. The proposed changes are the result of a five-year process undertaken by the faculty senate, Faculty Senate Bylaws Committee, a bridge funding committee and DRI administration. He thanked all participants, and particularly, Dr. Vic Etyemezian. One of the highlights of the proposed changes is the introduction of the new concept of bridge funding, which will be vital to a soft money environment. This will help significantly with faculty retention. The current practice is placing faculty experiencing a decline in their funding on termination, which is not conducive to retaining faculty. The proposed changes bring the Code up-to-date with DRI's current policy and organization, introduce a new form of support to help DRI retain soft money faculty, and has the strongest backing of the DRI faculty and executive staff.

Chair Anthony left the meeting.

14. Information Only-Handbook Revision, Procedure for Approval of Institutional Bylaws - Interim Chancellor James E. Rogers requested an amendment to the Board of Regents Code (*Title 2, Chapter 1, Section 1.3.4*) to provide for approval of institution Bylaws by the chancellor. This is the first reading for this request with final action to be taken at the Board's June 2005 meeting (*Ref. I on file in the Board office*).

14. Information Only-Handbook Revision, Procedure for Approval of Institutional Bylaws –
(Cont'd.)

Interim Chancellor Rogers explained that this change would allow the chancellor and counsel to ensure that all of the Bylaws that are adopted by the institution are consistent with the overall System Bylaws.

15. Approved-Handbook Revision, Bylaw Amendment or Direction to Chair – Allow Chair to Request Regent to Act as Liaison to School Board, Government Entity or Other System Constituencies – The Board approved Interim Chancellor James E. Rogers' request to amend the Board of Regents' Bylaws (*Title 1, Article IV, Section 4*) to expand the Chair's authority to request Regents to serve as Board liaisons to school boards, government entities, and other System constituencies (or the Board may give such authority and direction to the Chair without a Bylaw amendment) (Ref. J on file in the Board office).

Interim Chancellor Rogers reported that he attended several meetings with Clark County School District Superintendent Carlos Garcia and noted that the two of them had never had any discussions.

Chair Anthony entered the meeting.

Interim Chancellor Rogers felt there should be some communication between Nevada's boards of education to coordinate efforts. He suggested that Chair Anthony appoint someone to follow through with this in each part of the state.

Regent Sisolak moved approval of the Handbook revision allowing the Board Chair to request a Regent to act as a liaison to a school board, government entity or other System constituencies. Regent Rosenberg seconded.

Regent Dondero felt it was a great idea. Regent Rosenberg agreed.

Chair Anthony said he would ask Board members to act as liaisons to the State Board of Education, various county boards of education, and any other pertinent boards to facilitate increased communication.

Regent Gallagher felt it was a good idea that should be expanded to include things other than schools, adding that she was constantly approached with questions that are not always answered in the newspaper.

Regent Rosenberg felt this was a very good idea.

Motion carried. Regent Whipple was absent.

Chair Anthony asked Board members to notify him about their interests to act as liaisons.

16. Approved-Handbook Revision, Cash Management Services Policy – The Board approved Director of Banking and Investments, Ms. Kathleen Payne's, request for revisions to the *Handbook* (*Title 4, Chapter 10, Section 1.8*) to change the responsibility for new cash management services to the Director of Banking and Investments with input from institutional representatives (Ref. K on file in the Board office).

Regent Alden moved approval of the Handbook revision changing the responsibility for new cash management services to the Director of Banking and Investments. Regent Rosenberg seconded. Motion carried. Regent Whipple was absent.

17. Approved-Handbook Revision, Procedure for Ratification of Appointment of Foundation Trustees – The Board approved Interim Chancellor James E. Rogers' request for a *Handbook* amendment (*Title 4, Chapter 10, Section 9*) to provide for Board ratification of Foundation trustees (Ref. L on file in the Board office).

Regent Sisolak moved approval of the Handbook revision providing Board ratification of Foundation trustees. Regent Howard seconded.

Regent Gallagher requested clarification of the request. Interim Chancellor Rogers explained that it was a question of timing. These individuals are selected and must wait for Board approval in order to participate in Foundation activities. This would speed up that process.

Vice Chancellor Klaich explained there were also issues regarding the Open Meeting Law that prompted this suggestion because appointees must be properly notified and served with waivers, which can delay approval of their appointments and create the need for additional Foundation meetings.

Regent Gallagher observed that she had never witnessed the Board declining a Foundation appointment.

Chair Anthony left the meeting.

Motion carried. Regent Whipple was absent.

18. Information Only-University of Nevada School of Medicine Practice Plan Progress Report, UNR - President John M. Lilley and Dean John McDonald provided a progress report on the implementation of the University of Nevada School of Medicine Clinical Practice Plan Restructuring Proposal, which was approved by the Board at the January 2004 meeting (*Ref. M on file in the Board office*).

President Lilley reported that the Board approved a substantial change in the organization of the three practice plans at the January 2004 meeting. The School of Medicines' practice plans provide more than forty percent of the School's budget.

Chair Anthony entered the meeting.

18. Information Only-University of Nevada School of Medicine Practice Plan Progress Report, UNR - (*Cont'd.*)

President John M. Lilley and Dean John McDonald provided a progress report. President Lilley related that approval of this plan created a delicate balancing act. The Board indicated its expectation for greater oversight through the chancellor, the president and the dean while ensuring that the academic physicians had substantial involvement. The plan also implemented a new governance structure and new fiscal controls. President Lilley introduced Dr. John McDonald, Dean, School of Medicine and Vice President, Health Sciences.

Dean McDonald felt it was important to understand how different the School of Medicine is and the manner in which derives a large portion of its budget from external business activities. The School of Medicine is part of the University of Nevada, Reno. The State Legislature appropriates funding to the School on a specific, separate line item, which is imbedded in the UNR budget.

Regent Alden left the meeting.

Dean McDonald reported that the medical school first admitted students in 1971. It began as a two-year school. Graduates have been very successful, including two currently employed as deans in the country. Campuses are in place in Reno and Las Vegas. There are 27 departments within the medical school, with 1,013 full- and part-time employees. The School graduates 52 physicians per year. Approximately 40% of these physicians either remain in or return to Nevada to practice after completing their post-graduate training. Sixty residents complete post-graduate training every year; approximately 70% of these residents remain in Nevada after completing their training.

Regent Alden entered the meeting.

Dean McDonald reported that training a physician requires four years of medical school, 3-5 years of residency training, and 2-3 years of fellowship training. Nevada has one of the lowest ratios of physicians-to-patients in the U.S. The first year of undergraduate training is conducted in Reno with basic sciences and introduction to patient care. The second year is also conducted in Reno with basic sciences and patient care. The third year

includes exclusively clinical training in both Reno and Las Vegas. The fourth year includes clinical electives and rural medicine conducted in Reno, Las Vegas, and rural Nevada.

Dean McDonald observed that clinical practice is a major and growing source of medical school funding. In FY 97, revenues totaled \$68 million and have grown to \$127 million in FY 04. The clinical services contribution has grown from 21% in FY 97 to 47% in FY 04, while the state appropriation has remained relatively constant at 23%.

Dean McDonald related that a practice plan is a means for conducting the business of providing medical services. The School of Medicine developed individual department practice plans, which were later merged into three plans with the School in 1997. In

18. Information Only-University of Nevada School of Medicine Practice Plan Progress Report, UNR – (Cont'd.)

2001, the Board of Regents and the chancellor directed Interim University President McFarlane to restructure the practice plan. The goals of the practice plan restructuring included:

- · Improve oversight of the practice plan by UCCSN and UNR.
- · Reduce liability to UCCSN and UNR.
- · Allow the School of Medicine to successfully meet its educational, research, and clinical missions.

The practice plans are the clinical financial arm of the School of Medicine. There are four separate 501c3 not-for-profit corporations, including one umbrella corporation:

- · MEDSchool Associates North (*MSAN*).
- · MEDSchool Associates South (*MSAS*).
- · Nevada Family Practice Residency Program (*NFPRP*) – contains a major component of clinical care in the south, Mojave Mental Health, which cares for approximately 3,700 chronically, severely, mentally ill patients mostly supported by the state and federal government.
- · Integrated Clinical Services (*ICS*) – The umbrella corporation that exists over *MSAN*, *MSAS*, and *NFPRP*.

The practice plans are the business unit for the School of Medicine clinical operations:

- · Provide a vehicle for patient care activities.
- ✓ · Live classroom for both residents and medical students.
- ✓ · Source of 40% of revenues (*\$43 million of \$111 million*), including the majority of the School's teaching physician salaries.
- ✓ · State appropriations are flat, so dependency on clinical sources is increasing.
- · Operate approximately 20 clinics statewide.
- · Provide the practice structure for over 400 faculty physicians and residents.
- · Employ approximately 400 support staff.
- ✓ · Nurses, techs, front office staff, and billing staff.
- ✓ · All physicians and residents are School of Medicine employees.
- · Provide patient care services in both clinics and hospitals.
- · Provide care to privately insured patients as well as one of the largest providers of services to Medicaid/Medicare patients and indigent patients statewide.

Dean McDonald reported that medicine is one of the most complex business environments in existence. The School competes in the volatile healthcare marketplace against private providers, and provided care to over 750,000 patients statewide in FY 03. The reorganization addressed concerns expressed by PricewaterhouseCoopers about meeting GASB 39 requirements. The School's budget revenue stream must be protected. Every clinical faculty member is required to earn a portion of their salary (*ranging from 20%-100%*). The availability of the live classroom must be protected since busy, private practitioners do not have the time to train beginning medical residents. There is also the need to protect the historic mission of the School of Medicine as a provider for underserved patients. The academic chain of command within the clinical departments must also be protected.

18. Information Only-University of Nevada School of Medicine Practice Plan Progress

Report, UNR – (Cont'd.)

Dean McDonald then reviewed the current practice plan organization. The Integrated Clinical Services Board is a nine-member, elected board which also includes three ex officio, non-voting members. Dean McDonald serves as ICS Board president, UNR Vice President for Administration and Finance serves as treasurer, and UNR Associate Vice President for Business and Finance also serves on the board. The board includes chief business officers from each practice (*ex officio, non-voting*), vice deans from Reno and Las Vegas, one practice representative elected from each practice, and a chief financial officer, which is currently unfilled. A search is underway. The ICS board has created and ratified new bylaws for the ICS board, implemented identical practice plan purchasing policies, implemented common human resources policies and equalizing benefits, and reassigned personnel to the employer most appropriately reflecting the responsibilities and duties. ICS board responsibilities include:

- · Review and approve all contracts, purchases and changes in the business plan.
- · Review monthly financial statements from the practices.
- · Review and respond to the management letter from PricewaterhouseCooper's audit.
- · Review and approve strategic plans and the annual budget.
- · Review and approve all new ventures and physician hires that are not replacement positions.

Dean McDonald related that an internal deadline of July 1, 2005 had been set for completing the initial transition, which will include implementing common software including practice management; file sharing; e-mail; and scheduling, while developing uniform quality and compliance standards.

Chair Anthony left the meeting.

Regent Alden asked whether residency programs existed at Washoe Medical Center and St. Mary's Hospital. Dean McDonald replied they did. There is currently no residency program at Tahoe-Carson Hospital, though they are interested in introducing residency training programs when the new hospital is completed. Regent Alden asked about Elko General Hospital. Dean McDonald replied there was no program in place, though a rotation to Elko is employed. Regent Alden asked whether residency programs were in place in Las Vegas. Dean McDonald replied there were programs at UMC and Sunrise Hospital, but not at Valley Hospital System or Rose Dominican. Regent Alden strongly urged that the School reach out to all of the hospitals. Dean McDonald agreed.

Chair Anthony entered the meeting.

Regent Alden suggested forming a partnership in conjunction with the university sports programs. He commended the restructuring. Dean McDonald replied that the family medicine program in Las Vegas included a sports medicine fellowship and the School provides a team physician to UNLV and UNR. Discussions have also been held with the orthopedics group located on the UNR campus.

18. Information Only-University of Nevada School of Medicine Practice Plan Progress
Report, UNR – (Cont'd.)

Regent Dondero observed that the Governor had proposed not providing medical coverage for new state employees. She asked what impact that could have to any of the practice plans. Dean McDonald replied that the practice plan employees actually have their own health coverage. He was unsure how many faculty would be affected by the retirement benefits. He believed it would be a small number.

Regent Dondero said that the Mojave program was a wonderful program. Dean McDonald explained that the Mojave program involved a group of volunteers who cared for patients without pay for several months when the state decided to outsource care of the chronically, severely mentally ill patients. They are totally dependent upon Medicaid/Medicare funding. They help patients with their finances, arrange for travel and transportation, pay their bills, provide domiciliary care, and out-patient residency.

Regent Seastrand asked how the School of Medicine's plan and structure compared with other places that Dean

McDonald has worked and whether he was comfortable with the restructure. Dean McDonald replied that he was, given the context of the environment, the history, and the independent nature of the various departments. He said it must be adapted according to the circumstances they face. The one difference between UCCSN and all other systems in which he has participated is that the School of Medicine does not control a hospital. To a large degree, the hospitals control the School. It makes it very difficult for the practice plan to meet the bottom line. One of the strategic initiatives is to grow sub-specialty medicine to broaden the portfolio of the services and to expose students to this broad spectrum of medicine. He felt it was basically good and working thus far.

Regent Seastrand asked for Dean McDonald's sense of the idea of an academic medical center and how it would benefit the program. Dean McDonald replied that discussions with the University of Pittsburg Medical Center have been positive. It would offer a tremendous advantage to jumpstart the School of Medicine into a new era. He felt it would be very positive for the health and education of the State of Nevada and that it was desperately needed to build outstanding, self sustaining programs.

President Lilley related it was dependent upon raising substantial dollars. The School is currently occupying leased space in Las Vegas. He said the chancellor was fully engaged in this process. The state cannot provide the necessary funds. The Lou Ruvo Center would be the first piece of it, with other to follow. He thanked the chancellor for his involvement.

Regent Sisolak related that the opening of the Lou Ruvo Alzheimer's Center was incredible. He felt it would be a significant addition to the System. Dean McDonald agreed. The Governor has recommended salaries and support for the personnel for that center beginning in 2006-07. It is important to realize that, although the building will not be completed until 2009, staffing will begin in order to have the program fully functional when the building is complete.

The meeting recessed at 4:32 p.m. and reconvened at 4:52 p.m. with all members present except Regents Rosenberg and Whipple.

19. Approved-Elko Clinic Lease, Expansion of Space, GBC – The Board approved President Paul Killpatrick's request for a change in the lease with Northeastern Nevada Regional Hospital for renting the Elko Clinic building. The rentable square footage has increased to approximately 34,946-sq. ft. (*Ref. Q on file in the Board office*).

Regent Alden moved approval of a change in the lease with Northeastern Nevada Regional Hospital for renting expanded space in the Elko Clinic building for GBC. Regent Hill seconded.

Regent Seastrand asked how the college would finance the additional money. It was established there was an actual cost reduction.

Regent Sisolak asked whether this was the property discussed in a previous meeting consisting of two floors. President Killpatrick replied that it was. Originally, GBC intended to lease 34,000 sq. ft. (*instead of 17,000 sq.ft.*). The College has been involved with this effort for 12 months. During that time there have been three CEO's. The contract was corrected to include the second floor. Approval for the first floor was granted in December to facilitate remodeling efforts. The mining community, the City of Elko, and Elko County have contributed approximately \$111,000 toward this effort.

Regent Sisolak asked Regent Gallagher whether she felt it was a good deal. Regent Gallagher replied that it was.

Motion carried. Regents Rosenberg and Whipple were absent.

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV – The Board approved President Carol C. Harter's request to sell approximately 517 acres of land owned by the University of Nevada, Las Vegas commonly known as the Sunrise Mountain/Rainbow Gardens property to the United States of America and its

assigns, Department of the Interior, acting by and through its agency, the Bureau of Land Management, in accordance with the Conditional Agreement for the Purchase of Land. The purchase agreement, appraisal, environmental assessments, federal acquisition criteria and other details were addressed in the briefing paper (*Ref. U on file in the Board office*).

President Harter reported that UNLV received a gift of 532 acres of land in the Sunrise Mountain area (*now called Rainbow Gardens*) in 1982. The University accepted the land without the level of concern about environmental issues that has developed since that time. It held the land for some period of time hoping to make a good sale. During that time, environmental issues and federal restrictions developed regarding how the land could be used. UNLV is now in an awkward position. The land is not accessible for commercial development. Restrictions have been employed to protect bear poppies and other protected species growing there. There are considerable environmental issues.

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV –(*Cont'd.*)

The EPA is now demanding remediation of the land and the only buyer is the BLM, who has twice extended the period during which they will buy the land from UNLV. UNLV is in the process of getting estimates for a full cleanup. The BLM is only required to obtain one appraisal and UNLV does not have the ability to challenge it. The appraisal was conducted in October 2004. She requested Board approval of the sale of the land for \$1,550,000. UNLV will cleanup the property using \$1 million of the sale proceeds. She expressed an urgency for cleaning and selling the property in order to reduce the future liability of UNLV and UCCSN.

Regent Alden asked whether the gift included any restrictions regarding how the land would be used or sold. President Harter replied there were originally restrictions, which were lifted. Federal restrictions were then placed on the land to preserve various species growing there. Regent Alden asked whether they would regret this sale at some time in the future. President Harter replied that UNLV believed the land would be absorbed into a conservancy district of the BLM and not used for development.

Regent Hill asked about the recorded value of the land at the time the gift was received. President Harter replied that Ms. Ernst had researched the minutes of 1982 and discovered there were very few references to the entire transaction.

Dr. Juanita Fain, Vice President, Administration-UNLV, reported that they had researched the minutes from 1981-1982. At that time, all gifts were listed on the Consent Agenda. The only reference was “gifts”, not even specifying the individual institution.

President Harter said they believed the land was worth \$2-\$2.5 million. Regent Hill observed that it was not a terribly disproportionate price except that two-thirds of the proceeds would be used for cleanup. Regent Hill asked what the cleanup entailed. Vice President Fain replied that UNLV was preparing a corrective action plan and would not know the actual cost until the plan was accepted by the Nevada EPA. It is hoped it will be less than the purchase price. Regent Hill asked what was being cleaned up. Mr. Tom Hagge, Associate Vice President, Facilities Management & Planning-UNLV, replied that the main contamination was from the illicit burning of cable. People steal cable from construction sites, burn off the insulation at remote sites in order to sell the copper leaving the remains behind. He said it was toxic material consisting of dioxins and PCB's. The matter has been exasperated by sport and target shooters who have used the area for target process causing traces of lead. He said it was a toxic soup. In some cases, the EPA can require the material be trucked to a furnace that would bake off the contaminants, which is incredibly expensive.

Regent Hill asked whether this had been a problem when the gift was received or had arisen since then. Mr. Hagge replied that they really did not know. It was gifted right after PABCO Gypsum had been using the property as an active gypsum mining area. It is believed that the presence of daily owner activity impeded such vagrancy.

Regent Gallagher observed that the property could not be used since there was no ingress or egress.

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV –(*Cont'd.*)

Regent Gallagher moved approval of the sale of property for the Sunrise Mountain/Rainbow Gardens property for UNLV. Regent Hill seconded.

Regent Sisolak asked how it was possible to land lock the property since it was used as an active gypsum mine. Assistant Chief Counsel Brooke Nielsen replied that one would need to know the history of the land, which perhaps a title report would reflect. She said she would need to know how BLM came into possession of all of the surrounding property. Regent Sisolak felt there had to be a means of ingress and egress for those trucks. Assistant Chief Counsel Nielsen agreed that the mine had some sort of ingress/egress at one time. She suggested it would require research.

Vice President Fain reported there was a primitive dirt road in and out of the property, which is completely surrounded by BLM land. Regent Sisolak observed that the remediation problems existing on UNLV property must also exist on BLM property. Mr. Hagge said they did not know when BLM acquired the property just south of UNLV's. They believe that when PABCO Gypsum was mining gypsum the property immediately to the south was private property and that a county road allowed the trucks access. Currently, every piece of adjoining property is owned by BLM. Any crossing would require their permission. He related they would need access in order to accomplish the remediation. Regent Sisolak observed there was a difference between requiring permission to use the road for hauling out waste. If there is a dedicated road, someone could technically come up and down that road. Mr. Hagge replied that UNLV and the remediation consultant have accessed the property to assess the extent of the damage using an off-road vehicle road. On the edge of the UNLV and BLM properties is an unimproved dirt road. Regent Sisolak was concerned that they had not looked at anyone else buying the land. He asked whether no one else would or could buy the land. Mr. Hagge replied that it was their understanding that the Southern Nevada Public Lands Management Act and the Federal Acquisitions regulations define how these sales will move forward. This has been defined as a geological preserve containing bear poppies and other endangered plant species. It is essentially useless to anyone except the federal government as a geological conservancy. UNLV has been attempting to sell the property. The only buyer has been BLM, who defines the process for buying. The property is a serious financial and environmental liability to UNLV. Once the Nevada DEP accepts the corrective action plan remediation will begin. If the property cannot be sold, UNLV will be exposed to successive vandalism.

Regent Sisolak observed that UNLV's advantage was BLM's interest in acquiring the property. He objected to selling the land for fifteen-cents per foot in Clark County and wanted to ensure they had explored other options. He asked whether other buyers had declined purchasing the property. Mr. Hagge replied that, initially, Del-Webb had explored using the property as a land swap. Potential environmental concerns caused them to back out of the deal. Lake Las Vegas also backed out for the same concerns. There have been no other buyers. BLM has forced areas where bear poppies have been identified to be fenced off from developers. UNLV believes that BLM is the only

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV –(Cont'd.)

buyer, who also makes the rules and defines the purchase process. If UNLV does not sell the property they will have a perpetual liability.

Regent Sisolak asked whether UNLV had considered selling it "as is" for \$1.00. He was concerned that remediation could cost \$4 million while they would only be selling it for \$1.5 million. Vice President Fain replied that UNLV was still obligated to clean the property as a condition of the sale. Mr. Hagge stated that Nevada DEP would force the owner to remediate contamination. They are formally on notice of the existing contamination. It is not an option to sell the property to someone else "as is". Regent Sisolak found it hard to believe that wire had been burned solely on UNLV's property. Vice President Fain replied that the property was located in a pit, which was more vulnerable to vandalism. Mr. Hagge agreed, adding that there were steep banks. Illicit wire burners operate where they cannot be easily observed. PABCO Gypsum created deep excavations. Regent Sisolak asked whether they had tried to sell the property to BLM "as is." Mr. Hagge replied that BLM would not accept it "as is." They require a clean statement of remediation from Nevada DEP. PABCO Gypsum had included a rider on the title reserving hydrocarbon rights. BLM would not accept the property with hydrocarbon rights. UNLV spent one year clearing up that issue. Regent Sisolak felt the same remediation

problem had to exist on BLM property. Mr. Hagge did not believe that their property was as susceptible as UNLV's, though it was likely susceptible to target shooters and lead. UNLV's property is essentially a magnet for this activity.

Regent Dondero said she hiked in that area, adding that people go back there to shoot their guns. Everyone's garbage has been dumped there for years and no one has cleaned it up. She observed that it required a lot of time and money to clean up mining sites.

Interim Chancellor Rogers requested a cleanup cost estimate. Mr. Hagge replied it was unknown. Samples have been taken to determine what is there. It is unknown how far down it has leached or how far out it extends until the remediation consultant has an approved corrective action plan and begins taking samples. Interim Chancellor Rogers related a personal experience concerning bank ownership of land on which the Elko federal court house is currently located. In attempting to sell the property, it was discovered that a previous house on the property had leaked heating oil from a 55-gallon drum. Remediation began because the property could not be sold to the federal government in that condition. The cost estimate grew from \$50,000 to \$100,000 to \$400,000. The property was scraped so low that they approached the Truckee River aquifer with a multi-million dollar cost to resolve the matter. He also sold property in Laughlin, Nevada containing a leaky 55-gallon gasoline tank. He observed that millions could potentially be spent in such a cleanup effort and felt they required some estimate for what was involved. Mr. Hagge estimated that the cost would be substantially less than that. Preliminary negotiations with Nevada DEP have indicated they will allow certain concentration levels to remain on the property if covered with boulders. He related that UNLV must cleanup the property regardless of the cost.

Regent Dondero asked whether BLM could clean it up. Mr. Hagge replied that UNLV would do it. Regent Dondero related that BLM often had scientists to perform that task.

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV –(Cont'd.)

Mr. Hagge replied that the owner bears responsibility for cleanup. UNLV has retained a consultant that Nevada DEP supports.

Regent Seastrand established that UNLV still had to clean the property even if they did not sell it. Mr. Hagge agreed. Regent Seastrand asked about a deadline for the cleanup. Mr. Hagge replied a deadline existed for submitting the corrective action plan by the end of March. An extension was provided until the end of April. The corrective action plan will include a schedule. Barring any unforeseen circumstances, it should be completed by the end of summer.

Interim Chancellor Rogers asked about any insurance coverage. Mr. Hagge did not know.

Regent Seastrand asked how they would cover extraordinary remediation costs (i.e., \$20 million). Mr. Hagge did not believe it would cost that much. UNLV has an agreement from Nevada DEP to leave material in place if it is covered. Only the densest and most concentrated contaminated soil will need to be removed.

Interim Chancellor Rogers observed there could be differences in their understanding of the word "pollutants" and the levels that can be left behind. He was very concerned about this. He said he would like to see DEP's representation regarding what levels can remain. He related that the relatively small Laughlin project had cost \$150,000.

Regent Seastrand asked who would make the final determination that the property was clean. Mr. Hagge replied that a draft corrective action plan would be created, agreeing to reduce contaminants to specified levels. The consultant has already discussed this with Nevada DEP, and has reached agreement in principal. The corrective action plan will be submitted by the end of April. Only minor changes are anticipated from Nevada DEP. Regent Seastrand asked whether an independent party would provide the testing and certification. Mr. Hagge replied that DEP would employ an independent consultant to provide spot sampling. DEP would then issue a "no further action" letter at which time UNLV can approach BLM for the sale. Regent Seastrand asked whether security would be required to keep the property clean until the sale was completed. Mr. Hagge replied that it would be necessary to secure the property in the interim.

Regent Leavitt observed that the land would have greater value once it was remediated. Mr. Hagge replied that no one would buy contaminated property. The property is part of a contiguous, BLM geological conservancy zone with endangered species. BLM's intent is to permanently preserve it in that state. Regent Leavitt asked whether the bear poppies covered all of the property or whether some of the remediated property could be developed. He was concerned about maximizing some value for the System. Mr. Hagge replied that bear poppies are pockets of outgrowth. BLM is anxious to buy the property to be part of a contiguous preservation zone. They will not allow development. The only access is across BLM property. Regent Leavitt asked whether UNLV could employ private use of the property. Mr. Hagge did not believe so. There are steep

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV *-(Cont'd.)*

mountains on both sides with approximately 150 yards of valley pocketed by deep excavation pits.

Regent Gallagher related that she had been involved in three similar transactions. After the problem is identified, they must clean it up even if they intend to hold on to the property. She felt there was no choice. She suggested they establish the requirements, the cost, and do everything they can to cut their losses. She felt the Board should vote on the matter.

Regent Derby said it appeared they were stuck and there was only one way to proceed. She established that UNLV must remediate the property or face jail time and enormous fines.

Regent Sisolak observed it was a no win situation. The problem arose because the gift was accepted without reviewing the potential problems. The Board is now making a multi-million dollar decision in a short period of time. He was unsure about the potential alternatives and did not want to make another bad decision only to discover later that the property was more valuable.

Interim Chancellor Rogers asked whether UNLV had attempted to receive some sort of federal or statutory relief. He suggested contacting the U.S. Senators, adding that it equated to the ability of one governmental agency to destroy another.

Regent Hill observed that they were stuck with the problem and had to clean it up.

Regent Seastrand observed there were three choices: 1) get someone else to clean it up; 2) clean it up and sell it; 3) clean it up and guard it until another buyer is located.

Chair Anthony asked whether UNLV had considered federal relief. Mr. Hagge replied they had not. They have been working with Nevada DEP who has the sovereignty. He said it had not occurred to them to request federal relief and questioned the willingness of the federal government unless it was an obscure earmark that had gone unnoticed. Chair Anthony asked about the ramifications for holding the item over to the June meeting while this was investigated. Vice President Fain replied that the BLM had already received a one-year extension. The deal must be completed by October. Chair Anthony asked whether they could postpone the matter to the June meeting in order to investigate options without hurting the deal. Vice President Fain felt that a delay could negatively impact the deal.

Mr. Gerry Bomotti, Vice President, Finance-UNLV, observed that UNLV was not unique in having land gifts that turn out not to be the asset originally perceived. When pressed for a range of costs, consultants estimated approximately \$1 million. The location is an advantage. If the site were to be developed, it could potentially cost millions to remediate. Because the site is very remote, the Nevada DEP has indicated they will use more liberal standard since it will not be a health hazard. He related that it was not a looming health problem for the Las Vegas valley, but merely regulatory issues that need to be addressed. It is not a current health problem for anyone. Because it is a

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV *-(Cont'd.)*

remote site, significant leniency will be extended relative to the level remediation required. He felt they could keep the costs down.

Chair Anthony suggested the Board vote on the matter.

Regent Alden observed that the chancellor made very proper comments. He did not think it was the end of the world to pull the item until better information could be gathered. He indicated he would vote no.

Regent Leavitt asked about the Board's legal position for receiving a gift that did not turn out to be what was anticipated. He asked whether the agreement could be structured so that any costs over the purchase price would be the responsibility of the BLM. Vice Chancellor Klaich replied that it was not likely. He observed there was one buyer, the presence of bear poppies preventing development, and an absolute liability that has occurred over a 20+-year period. In all likelihood, the liability occurred after receipt of the property since there is no evidence that the type of contamination occurred within the confines of a working gypsum mine. There is no basis for a factual claim against the donor. He said they had a legal obligation to clean it up.

Interim Chancellor Rogers asked to whom the liability existed. Vice Chancellor Klaich replied it was a liability to the State of Nevada and the United States of America. Interim Chancellor Rogers questioned the State's interest in pursuing such a remedy. Vice Chancellor Klaich replied that they had a statutory obligation once they were on notice of a polluted site. He said that UNLV had acted appropriately. When the site was known to be contaminated they brought in the Nevada DEP to determine the magnitude. He said he had been working closely with UNLV on this matter. He noted they had pressed Senator Reid and people at the BLM to provide an extension.

Upon a roll call vote, the motion carried. Regents Anthony, Derby, Dondero, Gallagher, Hill, Howard, Leavitt, Schofield, and Seastrand voted yes. Regents Alden and Sisolak voted no. Regents Rosenberg and Whipple were absent.

Mr. Hagge related there was no need to address (*Agenda item #29-Sunrise Mountain/Rainbow Gardens Property, Grant of Easement, UNLV*), which had been included on the agenda in case the previous item was not approved.

The meeting recessed at 5:43 p.m., on Thursday, April 14, 2005, and reconvened at 7:30 a.m., on Friday, April 15, 2005, with all members present.

21. Information Only-Personnel Session, President John M. Lilley – The Board conducted a personnel session concerning President John M. Lilley.

21.1 Approved-Moving to Closed Session – The Board approved moving to a closed personnel session regarding President John M. Lilley, in compliance with and for the purposes set forth in NRS 241.030 (“*closed meeting to consider character, alleged misconduct, professional competence, or physical or mental health*”). Chair Dr. Samuel H. Smith presented a report on the periodic presidential evaluation conducted on UNR President John M. Lilley March 7-8, 2005.

Regent Rosenberg moved approval of moving to a closed personnel session. Regent Hill seconded. Motion carried.

The meeting recessed at 7:35 a.m. (*for a closed session*) and reconvened at 8:55 a.m., on Friday, April 15, 2005 with all members present.

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

Regent Alden stated that one of the Board's most important duties is the evaluation of presidents, noting they had just completed President Lilley's. He felt the System was fortunate to have him in its service. He observed it was not the Regents' job to micromanage, but rather to review policy and the budget, and to ensure the president is fulfilling the institution's mission. He said that President Lilley had done an exemplary job and thanked President Lilley for his good work.

Regent Howard thanked the evaluation committee, adding that they did good work. When President Lilley first arrived, he assumed leadership of a problem-ridden university. She felt he has done well solving the problems and filling the vacancies. She felt he brought stability to the university. She had heard there have been perception problems from certain groups. She said it was very difficult to juggle external affairs with faculty concerns, adding it was a challenging job. She felt that President Lilley had been very responsive to the Board's concerns. She felt he was working towards resolving some of the problems with the medical school.

Regent Rosenberg noted that change is difficult. He did not question many of President Lilley's decisions, but he did question the judgment and the sensitivity relative to handling them. Many times he sees a public beheading when there is no need for one. There are lawsuits, the hidden camera situation, the agriculture situation.

Regent Hill noted a point of order, stating that he felt that Regent Rosenberg had a serious conflict of interest on this matter.

Regent Rosenberg agreed that he did have a serious conflict of interest because it was his campus and concerned the manner in which it was being handled.

Regent Sisolak noted a point of order, requesting an answer.

21.2 Information Only-Return to Open Session – (Cont'd.)

Chair Anthony asked Regent Hill to clarify his point of order. Regent Hill stated there was a conflict of interest with an employee of the University commenting on the president. He felt it was a problem with the ethics code and a conflict of interest.

Assistant Chief Counsel Nielsen stated that they had discussed the issue of Regent Rosenberg's status as an employee of the University. She did not believe there was any legal conflict of interest under the code of ethics of the State of Nevada with regard to Regent Rosenberg addressing this issue and/or voting should action be taken.

Regent Rosenberg stated that accusations had been brought against the University, some of which had no merit. He felt they all lead to a perception of the president that was not favorable. He did not believe that President Lilley is a mean-spirited person. He felt the perception needed to be recognized and attended to. He felt the University's problems could be handled closer to family business than corporate model. Some faculty feel that President Lilley spends too much time off campus, which he felt was not fair. He acknowledge that President Lilley is working for the University and had accomplished a lot of good. The problem is that too many of the faculty feel that the forums that he holds are held after the decision has been made and that it is a waste of time to attend. Notice has been received in the last month for three separate meetings to discuss morale problems. He was disturbed that someone wanted to hold a forum to discuss the issue. The faculty is the only thing the University has to sell. They need to be listened to and taken into consideration. They need to feel that the president really cares about what they have to say. He asked President Lilley to pay attention to them. He did not feel that President Lilley takes the necessary time to address issues at home. He felt that President Lilley needed to pay more attention and be more sensitive to the ramifications of what will happen. Regent Rosenberg recalled a recent television interview where President Lilley could not answer many of the questions. He said the public did not understand that and perceived it as an unwillingness to respond. He asked why President Lilley had undergone the interview if he knew he would be unable to answer the questions. He encouraged President Lilley to listen to people who do not agree with him. He felt it would point the way to make the changes that need to be made with minimum damage.

Regent Gallagher observed the Board had undergone an exhaustive evaluation. She felt the manner in which presidents are evaluated is brutal. Anyone with a complaint has the opportunity to come forward with an open evaluation process. The Board received a report from a very knowledgeable, well-respected man, who is familiar with being a university president. The fact that he provided such an outstanding report for President Lilley meant a great deal to her. The Board has the responsibility for evaluating the presidents. She felt that

President Lilley's many accomplishments spoke well for UNR. Change comes slowly and with great pain to academia. In fairness to President Lilley and with concern for

21.2 Information Only-Return to Open Session – (Cont'd.)

the University, she felt the Board should take a broad view and not personalize things. She encouraged them to consider the advancements that have been accomplished and agreed with Dr. Smith's assessment that UNR was much better today than it was when President Lilley first arrived. She felt he should be rewarded for his performance.

Regent Hill complimented Dr. Smith. He felt the Board was lucky to have President Lilley, adding that he walked into a hornet's nest. He made a lot of changes. They survived the Planetarium issue. He acknowledged that change is painful and difficult. He was glad the Board has someone to make those changes. He thanked President Lilley, adding that he was looking forward to working with him in the future.

Regent Schofield agreed with the accolades provided. He was impressed with President Lilley's self-evaluation. He has witnessed the president accomplish outstanding things and striving with people to do the right thing. He said that President Lilley had taken the University to the next level. He agreed with showing President Lilley the Board's appreciation with whatever compensation could be provided. He felt they were fortunate to have a man of this quality leading the institution and thanked him for his efforts.

Regent Leavitt expressed his appreciation to President Lilley, noting that he and his staff were very gracious during his first campus visit. He was impressed with his vision. He urged President Lilley to work on the perception. He was impressed with his forthrightness during with the agricultural investigation. He felt he had done everything possible to mitigate a terrible situation. He offered his unqualified support. Regent Leavitt appreciated President Lilley's stature and UNR's reputation, which continues to increase.

Regent Sisolak stated that presidential evaluations are extremely difficult. The interpretation of the law makes it more so. It is an enormous responsibility to run an institution. He had the sense that both accolades and criticism had been observed. Noted improvement has been realized with the athletic program. People come forward in evaluations with strong feelings. He was unsure whether they represented the majority sentiment. The Board needs to listen and pay attention to all constituents. He felt the evaluation was very telling. He assured the constituents who came forward that their voices had been heard. He thanked Dr. Smith and the evaluation committee for their work, as well as those who came forward with comments. He felt they provided insight.

Regent Seastrand said that President Lilley had entered a hornet's nest of challenges and difficulties when first arriving as president, and that President Lilley had shouldered those burdens extremely well. Great improvements have been made. Things on campus are not perfect. He felt it was important that they are doing better today than they were before he arrived and that they were progressing toward their goals and meeting the directions of the master plan. He recognized that no one is perfect, but it was important for the president to

21.2 Information Only-Return to Open Session – (Cont'd.)

recognize the problems and be willing to address them. He felt that President Lilley had heard the comments and would make progress in areas that require strengthening. He applauded President Lilley for the challenges that he has overcome and encouraged him to face the problems that lie ahead.

Regent Rosenberg observed that former President Joe Crowley's 23 years of service did not exactly create the biggest disaster. He acknowledged that President Lilley had faced the Fire Science Academy, but felt that characterizing it as a hornet's nest was excessive.

Regent Whipple agreed that it had been an enlightening experience. The people's concerns were heard. He observed that President Lilley has a hard work ethic. He felt that President Lilley has tremendous integrity and a desire to do a good job. He felt the community recognizes that.

Regent Schofield complimented and credited Mrs. Lilley as an effective helper to the president's efforts.

Regent Derby expressed her appreciation to Dr. Smith for a fine evaluation. The accomplishments for which President Lilley can take responsibility were expressed with great consensus, even among his detractors. She expressed her appreciation and applauded them. Serious concerns were also brought forward that were heard and incorporated into the guidance provided. She said she was grateful for the process, though she felt there were flaws in the process.

Regent Sisolak complimented Vice Chancellor Klaich and Assistant Chief Counsel Nielsen for the manner in which they handled the meetings. He commended the chancellor for assembling a fine legal team.

Regent Alden expressed his support for Regent Derby's suggestion for reviewing the Board's evaluation process.

22. Approved-Presidential Contract, UNR - The Board approved the employment terms and conditions for UNR President John M. Lilley as presented.

Chair Anthony observed that the President Lilley's evaluation revealed that he was doing an outstanding job. He recommended the following:

- · Base salary: \$227,500 effective upon Board approval.
- · Car allowance: \$8,000 per fiscal year.
- · Housing allowance: \$18,000 per fiscal year.
- · Host account: \$5,000 per fiscal year.
- · Contract period: contract extended through June 30, 2009.
- · Standard termination and discipline clause.

Regent Hill moved approval of the employment terms and conditions for UNR President John M. Lilley as outlined. Regent Gallagher seconded.

22. Approved-Presidential Contract, UNR – *(Cont'd.)*

Regent Alden agreed with the recommendation.

Regent Howard agreed with the recommendation and asked whether the car allowance was in conjunction with the car program issue raised by Regent Sisolak. Interim Chancellor Rogers replied it was a separate issue. Regent Howard asked whether the president received a car from the car program. Interim Chancellor Rogers replied he did not. Regent Howard asked whether that addressed Regent Sisolak's concerns.

Regent Sisolak asked whether it was possible, since there were 8-10 cars ...

Assistant Chief Counsel Nielsen stated that they were off the agenda item.

Regent Sisolak observed that the car allowance was part of the agenda item. Assistant Chief Counsel Nielsen asked whether he was suggesting something else be done in lieu of the car allowance. Regent Sisolak replied that he was. He suggested working the car program in lieu of the car allowance. Interim Chancellor Rogers replied that President Harter had the same provision. He felt she might prefer a car rather than the car allowance, adding that they could review the matter. He was trying to develop some consistency among the contracts. As the car issue is reviewed, especially in the sports program, it could be considered. He related that this was a separate item. The presidents are provided money and not a car.

Regent Howard appreciated what the chancellor was doing, but wanted him to consider that. She then indicated her support for the motion.

Chair Anthony added an additional recommendation for tenure for President Lilley at UNR. He requested the recommendation be included with the motion.

The amendment to include tenure in the recommendation was accepted by Regents Hill and Gallagher.

Regent Sisolak requested clarification on the salary as it relates to other presidents. Interim Chancellor Rogers replied that he was attempting to make all of the presidential contracts as consistent as possible, acknowledging that there would be raises going forward. He related that President Maryanski earns \$225,000; President Lilley will earn \$227,500. He said he would likely return with a recommendation for more favorably compensating President Harter. He wanted to align all of the contracts and felt that the Board would be satisfied with the results.

Regent Sisolak questioned the length of the contract. He established there was one year remaining on the current contract, with a recommendation for three additional years. Interim Chancellor Rogers recommended starting the new pay schedule for presidents effective upon Board approval, which was consistent in length with President Harter's contract. Regent Sisolak asked whether it was normal to extend the contract in such a manner. He established that President Lilley was under contract through June 30, 2006 at the previous figure. He asked whether it was normal to bring the new salary forward.

22. Approved-Presidential Contract, UNR – (Cont'd.)

Interim Chancellor Rogers replied that it had become normal. He recalled that President Lilley had not received an evaluation for some period of time. The original contract period was four years. He was attempting to balance it and make it work. The increased pay would have begun even sooner than this had the Board evaluated President Lilley at the normal interval. Regent Sisolak requested an explanation for the four-year determination. Interim Chancellor Rogers replied that President Ringle's and President Killpatrick's contracts had been extended for approximately the same period of time; most of the contracts are running four-plus years.

Regent Dondero established that the Board was voting on the base salary, car allowance, housing allowance, host account, and contract period. Interim Chancellor Rogers stated that tenure was also included. Regent Dondero asked whether the System would bear the financial burden. Interim Chancellor Rogers replied that it would, adding that the additional compensation from the Foundation would be discussed during another agenda item.

Regent Howard asked about the national standard/average length for a contract. Interim Chancellor Rogers replied that it varies greatly. Many eastern schools do not use contracts; the presidents are on a year-to-year basis. The concept for long-term presidential contracts is a western university/college concept. The UCCSN has been renewing contracts prior to expiration for a long time. He felt they needed to consider the needs for recruiting and retention and tailor it to the needs of a system.

Regent Howard requested clarification for presidential tenure. Interim Chancellor Rogers replied that tenure would allow President Lilley to return to the faculty in an area of his expertise once he retires. He related that Presidents Harter and Carpenter also have tenure at their institutions. He was unsure whether any UCCSN president did not have tenure. Regent Howard asked whether any president did not have tenure. Regent Sisolak replied that President Lucey did not.

Chair Anthony established that Presidents Lucey and Wells did not have tenure, noting that their evaluations were pending.

Regent Derby said it was unfortunate that Open Meeting Law interpretations required statements to be made in public. She said she would not support the contract. A four-year contract is very long and should only be awarded to a president when there are no major issues clouding the president's performance. Because of the seriousness of the concerns raised in the evaluation process concerning a lack of faculty support and troubling ongoing perceptions of difficulties relating to many women in leadership, she would not vote in support of a four-year contract. She said that she would vote for continuance, but felt that a shorter contract would allow the Board safeguards that remedy of these concerns would be evidenced. She regretted any embarrassment her statement might cause President Lilley.

22. Approved-Presidential Contract, UNR – (Cont'd.)

Regent Leavitt did not feel that any of the president or the faculty were paid as much as they deserved. He felt it

was a modest salary recommendation that he fully supported. He said he would also support an increased salary.

Regent Gallagher noted that the contract included the ability to terminate the president, adding that the length of the contract did not matter. The Board has the ability to take care of any problems that may arise. She was not concerned with the recommended length.

Regent Sisolak asked whether the Board would be afforded another opportunity for an update on the issues with a four-year contract and how that would be addressed without scheduling another evaluation. Vice Chancellor Klaich replied that the chancellor conducts annual evaluations on the presidents, though they are not as extensive as the periodic evaluation. Regent Sisolak asked when another opportunity would be provided for the constituency groups to offer input. Interim Chancellor Rogers replied it would be ongoing with continuing conversations about the issues and that he would be happy to provide whatever input the Board desired.

Chair Anthony related that the Chair or other Regents could request specific agenda items. He said there were venues to follow up on the issues that were raised. Regent Sisolak wanted to ensure that the concerns that were raised had not fallen on deaf ears and that nothing would be done for three more years. Interim Chancellor Rogers stated that the chancellor would hear about continuing issues. He said that voting on the extension of the contract would not prevent that.

Regent Seastrand asked whether the Board would have to pay President Lilley's contract through 2009 even if they determined in a year that he was not the one to continue. Interim Chancellor Rogers replied that they had given the matter a lot of thought. If there were a breach of contract, the contract would terminate and the System's obligation to pay further would terminate. If the Board determined that they did not like this person's style, but they had not breached a fundamental part of the contract, they would need to buy out the remainder of the contract in order to make a change.

Regent Dondero acknowledged that four years was a long time. She asked whether a cost-of-living increase had been included. Interim Chancellor Rogers replied that the Board considered merit and cost-of-living raises on a yearly basis. This contract did not include a recommendation for a cost-of-living adjustment.

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

23. Approved-Supplemental Presidential Compensation, UNR – The Board approved Assistant Chancellor Trudy Larson's request for the UNR Foundation proposal to provide funding to the Board of Regents to supplement the compensation provided to President John M. Lilley in his role as president of UNR (*Ref. Non file in the Board office*).

Ms. Mary-Ellen McMullen, UNR Foundation Board Chair, reported that the compensation would be provided through the Board of Regents' account at UNR and not directly to President Lilley from Foundation accounts. The Foundation board unanimously approved a resolution on January 21, 2005, offering the Board of Regents supplemental compensation for President John M. Lilley and establishing the Lavery Estate Quasi-Endowment for Excellence as a funding source. The resolution authorized the UNR Foundation executive committee to determine the amount of supplemental compensation, not to exceed the distribution of the Lavery estate under the spending policy of the Foundation. On April 12, 2005, the executive committee passed the amended resolution offering the Board supplemental compensation for President Lilley. The market value of the Lavery estate on December 31, 2004, was \$1, 979,000. Currently under the Foundation spending policy, the endowment will produce a distribution that will cover the \$90,000 authorized by the executive committee.

Regent Hill asked whether the chancellor supported the recommendation. Interim Chancellor Rogers replied that he did.

Regent Hill moved approval of the supplemental presidential compensation for UNR. Regent Gallagher seconded.

Regent Sisolak requested an explanation for the endowment. Interim Chancellor Rogers replied that the UNR Foundation would be paying \$90,000/year from their endowment. He related that the System was only obligated to provide the supplemental pay as long as the UNR Foundation provides the funds, which was the same agreement in place with the UNLV Foundation. Regent Sisolak stated that UNLV had to raise the money. He asked whether UNR already had the money in the endowment. Ms. McMullen replied that the funds would be provided from an endowment of unrestricted funds. Regent Sisolak asked how the funds had been used previously. Ms. McMullen replied that it was a new gift to the University. They decided to establish a fund for excellence in order to provide the funds to the Board to supplement President Lilley's salary. Regent Sisolak established that the endowment did not previously exist and that there had not been a previous recipient.

Interim Chancellor Rogers said that he strongly believed that President Lilley's salary should be supplemented like President Harter. He related that the agreement mirrored that of UNLV's. The System has no contractual obligation to pay the funds if it is not received from the Foundation(s). He said that the source of funds was irrelevant.

Regent Sisolak disagreed. If the money was presently used for financial aid and was being redirected as presidential compensation, he would object. Interim Chancellor Rogers and Ms. McMullen both established that was not the case.

23. Approved-Supplemental Presidential Compensation, UNR – (Cont'd.)
Motion carried. Regent Rosenberg voted no.

The meeting recessed at 9:55 a.m. (for continuation of the Budget & Finance Committee meeting) and reconvened at 10:10 a.m. with all members present except Regents Leavitt, Rosenberg, and Whipple.

Chair Anthony related that Vice Chancellor Klaich had an announcement.

Regent Rosenberg entered the meeting.

Vice Chancellor Klaich observed that this would be Assistant Chief Counsel Brooke Nielsen's final meeting prior to her retirement. He observed that upon first arriving at the System, the legal staff had been in crisis and that it would not have remained together without Ms. Nielsen's efforts. She is a model of grace and decorum, an extraordinary role model and apt attorney, and handles herself with great dignity. They will be unable to replace her. He was thankful to have had her assistance to help ease his transition.

Chair Anthony noted the importance of legal counsel in running an effective meeting. He said it was an honor to have Ms. Nielsen help with each meeting and thanked her for her service. Ms. Nielsen stated that it had been a pleasure to serve the Board, adding that she would miss everyone.

Regent Sisolak noted a point of order, one last time in honor of Ms. Nielsen.

Regent Alden said there would never be another counsel like Ms. Nielsen, adding that she was a credit to the System and the legal profession.

24. Approved-Naming of Baseball Field, WNCC – The Board approved President Carol Lucey's request to name the baseball field after Reverend John L. Harvey. The primary donor of Phase 1 of the baseball stadium is the Whittemore Family Foundation. Mr. Harvey Whittemore would like to name the field after his grandfather (*Ref. R on file in the Board office*).

President Lucey explained that one aspect of improving graduation rates included creating a stronger college community and enhancing student life. An important part of campus life is the addition of intercollegiate athletics. WNCC now has a new baseball field due in part to a major contribution. She then introduced Vice President, Institutional Advancement-WNCC, Ms. Helaine Jesse.

Vice President Jesse requested the Board's permission to name the baseball field after Reverend John L. Harvey, a major force in Carson City for over 25 years. She then introduced members of Reverend Harvey's family: Mr. Fred Harvey, son; Dr. Robert Whittemore, son-in-law; Mr. Harvey Whittemore, grandson; and WNCC's head baseball coach, Mr. D.J. Whittemore, great grandson.

24. Approved-Naming of Baseball Field, WNCC – (Cont'd.)

Regent Derby moved approval of naming the baseball field at WNCC in honor of Reverend John L. Harvey. Regent Rosenberg seconded.

Regent Hill thanked the family members for their support to the college and the community.

Regent Howard expressed her gratitude for the lovely gesture and contribution to higher education.

Regent Rosenberg announced that he was proudly displaying his "Wildcats" license plate holder.

Regent Schofield thanked the family for their contribution to the state as well as the college.

Regent Sisolak expressed his appreciation to the family, adding that they were a fine example for everyone.

Regent Derby thanked the family, adding that the field and stadium will be a lovely tribute to the family and an expression of the difference that citizens who care about the future of the state can make to advance opportunities for students.

Regent Dondero thanked the family members for their support.

Motion carried. Regents Leavitt and Whipple were absent.

25. Approved-Phase 2 Design and Construction of Baseball Stadium, WNCC – The Board approved President Carol Lucey's request for approval of Phase 2 of the baseball stadium to include design and construction for a hitting facility, concession stands, stadium seating, press box, and plaza (Ref. S on file in the Board office).

President Lucey presented a depiction of Phase 2 of the design and construction of the baseball field, which will include a few buildings.

Vice President Jesse reported that, following Board approval, they would proceed with construction of the field as funds were received. A commitment was made not to build the field until funds were available.

Coach D.J. Whittemore reported the field would include a press box, concession stand, restrooms, and an indoor batting facility. A locker room will be added at some time in the future. WNCC will allow Carson High School to use the indoor batting facility jointly in the winter.

25. Approved-Phase 2 Design and Construction of Baseball Stadium, WNCC –(Cont'd.)

Regent Rosenberg moved approval of the Phase 2 design and construction of the baseball stadium at WNCC. Regent Derby seconded.

Vice President Jesse observed that several naming opportunities were available.

Motion carried. Regents Leavitt and Whipple were absent.

Regent Anthony left the meeting.

26. Approved-Resolution #05-05, Bank Line of Credit, Construction of Mathewson-IGT Knowledge Center, UNR – The Board approved President John M. Lilley's request for a resolution to secure a bank line of credit

drawn in favor of the State Public Works Board for construction of the University of Nevada, Reno Mathewson-IGT Knowledge Center. The building project and related financing plan was last updated and approved at the October 2004 Board meeting (*Ref. Q on file in the Board office*).

Mr. Ron Zurek, Vice President, Administration & Finance-UNR, acknowledged the efforts of System financial advisor, Mr. Scott Nash, Johnson Consulting; bond counsel, Ms. Kendra Follett, Swenseid & Stern; Vice Chancellor Buster Neel; and Ms. Kathleen Payne, Director of Banking & Investments. Vice President Zurek reported there were minor changes to the original presentation in October 2004, noting that none of them were material and all were positive. The original cost estimate was \$82 million (*\$66 million-construction and \$16 million-FF&E*). Construction costs were to be borne by equal \$22 million installments from the State, institutional CIP fees, and private institutional gifts. A legislative deadline exists for having all funds in place by June 30, 2005. In October, 2004, UNR reported a \$20 million increase in project costs due to construction cost inflation. The Board then approved a plan for addressing this shortage, which was also approved by the State Public Works Board and the Interim Finance Committee. \$11.2 million was taken from FF&E to be used for construction. A commitment was also made to raise an additional \$8.8 million in institutional funds to cover the \$20 million deficit. The \$11.2 million in FF&E was deferred to the 2007-09 biennium. The project now totals \$102 million (*\$86 million-construction, \$16 million-FF&E, including \$11.2 million deferred to 2007-09 biennium*).

The resolution will allow CIP bond funding in the amount of \$30.8 million to be paid by existing student CIP fees. The bond sale is anticipated to occur May 3, 2005, with money in the bank by May 24, 2005. Currently, UNR has raised \$21.2 million (*\$12.8 million-cash-in-hand; \$6 million-signed pledges; \$2.4 million-verbal pledges*) of the required \$22 million in private gift funding. One foundation represents 75% of the verbal pledges. It is located in northern Nevada, and has provided over \$16 million and selected a naming opportunity. Technical issues associated with the governing trust document prevents them from providing a written commitment at this time. UNR feels that the pledges are firm. UNR must now convert the pledges into money in order to meet the State requirement. By the time the building is completed in 2008, it is expected that 81% of the signed pledges will be completed, and 95% of the verbal pledges will be completed.

26. *Approved-Resolution #05-05, Bank Line of Credit, Construction of Mathewson-IGT Knowledge Center, UNR – (Cont'd.)*

Regent Leavitt entered the meeting.

Vice President Zurek then reviewed the draw-down schedule for construction. The project will take 38 months to complete. Initially, the State Public Works Board will draw down the \$30.8 million in bonding. Then UNR will provide \$13 million in private funds. A line of credit/bridge loan for \$9.0 million will be used in September 2006, allowing more time to continue fundraising efforts. Finally the State's \$33.2 million will be used to complete the project. The request entailed approval of a resolution for a line of credit to be backed by the anticipated pledges.

Regent Anthony entered the meeting.

Regent Derby left the meeting.

Vice President Zurek reported that a public RFP process was conducted. The winning bidder was Bank West of Nevada. The line of credit will allow UNR to show the State Public Works Board that \$22 million is available for the project. They have agreed to this arrangement. With this approach, only what is required will be borrowed at the time it is needed. UNR is allowed to select the index rate for the loan during the draw-down period. There are no commitment fees, usage fees, or pre-payment fees associated with the transaction. The bank line of credit will not exceed \$9.0 million.

Regent Alden moved approval of Resolution #05-05 concerning a bank line of credit for the construction of the Mathewson-IGT Knowledge Center at UNR. Regent Rosenberg seconded.

Regent Sisolak requested explanation for the \$9 million in pledges. Vice President Zurek replied that the pledge receivable schedule provided the most concise listing of expected receipt dates. The majority will be fulfilled by

the time the building is constructed. Regent Sisolak asked how much of the pledged funds would actually be received. Vice President Zurek replied that largest portion of the verbal pledge was from a foundation with which they had a long history. Approximately 70% of the signed pledges are represented by IGT. UNR anticipates a very high collection rate on all of the pledges. Regent Sisolak asked about a normal percentage of non-receipts. Vice President Zurek replied that factor occurs occasionally with retail pledges (10-20%). Regent Sisolak asked whether they would need to secure additional pledges if the current ones were not received. Vice President Zurek replied there could be two problems: 1) the project could come in higher than anticipated or 2) the revenues might not materialize. Contingency plans exist for both. An additional 18 months are available for fundraising. Proceeds from land transactions are also available for such an emergency. Regent Sisolak observed that it was a novel approach.

Regent Dondero established that the money would go directly to the State Public Works Board. She asked who would audit that account when the work was done. Vice

26. Approved-Resolution #05-05, Bank Line of Credit, Construction of Mathewson-IGT Knowledge Center, UNR – (Cont'd.)

President Zurek replied that due to the magnitude of this project, the architect's estimator and accountants, as well as the State Public Works Board's would monitor the project. Additionally, UNR has purchased the services of an owner's representative to provide a third set of eyes to monitor the original cost estimate as well as the ongoing build-out.

Regent Dondero asked whether she had a conflict of interest in voting on the matter since she owned some IGT stock. Assistant Chief Counsel Nielsen replied that she was only required to disclose that fact, but it was not a conflict that would disqualify her from voting.

Regent Sisolak stated that he too owns IGT stock.

Motion carried. Regents Derby and Whipple were absent.

27. Approved-Resolution #05-06, Sale of Bonds, Construction of Mathewson-IGT Knowledge Center, UNR –
The Board approved President John M. Lilley's request for a bond resolution to finance the construction of the University of Nevada, Reno Mathewson-IGT Knowledge Center. The building project and related financing plan was last updated and approved at the October 2004 Board meeting (Ref. P on file in the Board office).

Regent Alden moved approval of Resolution #05-06 concerning the sale of bonds for the construction of the Mathewson-IGT Knowledge Center at UNR. Regent Rosenberg seconded. Motion carried. Regents Derby and Whipple were absent.

28. Information Only-Midtown UNLV Update - President Carol C. Harter presented an update on the project to revitalize Maryland Parkway, coined Midtown UNLV. Mr. Mike Saltman, UNLV Foundation trustee, with whom President Harter conceived this concept for a public/private partnership, provided an informational briefing on the progress made to date (Ref. T on file in the Board office).

President Harter reported that Mr. Saltman developed the idea for a university district as a result of his involvement as a community member and a UNLV Foundation board member in the UNLV master planning process. This holistic approach will achieve a much-needed revitalization of historic Maryland Parkway in concert with UNLV's plans. Having seen many university districts that were inviting destination places of their own, Mr. Saltman invited President Harter, several staff members, and Regents to visit Tempe, Arizona to witness the remarkable transformation of Mill Street and the creation of a university district around Arizona State University. Mr. Saltman has hired Tempe's outgoing Mayor, Mr. Neil Giuliano, to assist with the project.

28. Information Only-Midtown UNLV Update – (Cont'd.)

Regent Derby entered the meeting.

Chair Anthony left the meeting.

Regent Sisolak left the meeting.

Regent Alden left the meeting.

Regent Howard left the meeting.

President Harter related that Midtown UNLV is viewed as providing the potential visible metaphor and a physical manifestation of UNLV's commitment to community engagement and outreach. Unique public/private partnerships and projects are already developing. She reminded the Board that UNLV's master plan addresses the challenge of optimizing acreage on the landlocked campus to serve the facilities and space needs of the 36,000 students expected by 2010. In the last four years, UNLV increased FTE by over 4,900 students. The master plan suggests the need to add 3.6-million new-growth feet of building space in a very short time to accommodate that growth.

Regent Alden entered the meeting.

President Harter reported that sources other than State capital funds would be required. Many creative financing plans and building schemes will be explored.

Chair Anthony entered the meeting.

President Harter reported that Midtown UNLV envisions a process of public/private partnerships and developing a common infrastructure on both sides of Maryland Parkway reflecting creative architectural themes on both sides of the street. They hope to reduce the size of the parkway to one lane on each side, increase sidewalk space, and create beautiful places to sit and gather that will tie the two sides of the street together. Mr. Saltman is busily working with UNLV and many private businesses along Maryland Parkway. The redesign of the campus side of Maryland Parkway will be done in coordination with the redevelopments being undertaken by other private entities in the neighborhood. Two cornerstone projects are planned for the north and south ends of the campus, including the \$60 million Greenspun Hall project and a new facility referred to as the Black Mountain Institute, which will include expansion of the International Institute of Modern Letters.

Regent Alden left the meeting.

President Harter related that a signature entryway is planned at Harmon and Maryland Parkway to be funded by the UNLV Alumni Association. Construction of the student union and recreation center will contain some of the same concept of mixed use for retail and public/private partnerships. She then introduced Mr. Mike Saltman.

28. Information Only-Midtown UNLV Update – *(Cont'd.)*

Mr. Mike Saltman related that he began his career in Las Vegas in 1975.

Regent Alden entered the meeting.

Mr. Saltman observed that through a process of benign neglect, little had been done to improve the appearance of the campus or its surrounding area.

Chair Anthony left the meeting.

Mr. Saltman related that the six-lane Maryland Parkway presented a serious pedestrian and public safety issue. He related that a similar transformation had occurred in Tempe and reviewed his concept of the project, which will require the participation and cooperation of many entities, including private property owners, disparate owners, UNLV, the County, the State, and planners. He hopes to see it achieved in his lifetime.

Chair Anthony entered the meeting.

Chair Anthony applauded the effort, adding that the area had become run down, congested, and that crime was becoming an issue. He agreed that the ASU area is now completely different and expressed his appreciation for Mr. Saltman devoting his time to this effort.

Regent Gallagher said she was thrilled with his vision, adding that it would be a tremendous addition to the University.

Regent Schofield left the meeting.

Regent Dondero observed that the Tempe district is beautiful and filled with students, adding that it was a great companion to the university. She acknowledged that it would be a challenge to address the traffic on Maryland Parkway. Mr. Saltman suggested the need for an enhanced public transportation system.

Regent Hill expressed his pleasure with the project. He felt that System campuses should be as close to a Garden of Eden as possible in order to attract students and the community. Mr. Saltman related that President Harter completely supported the idea and acknowledged that it would be a time consuming project. Her staff has also been very helpful.

Regent Seastrand expressed his appreciation for Mr. Saltman's vision. He hoped the Board could lend its support. He asked whether the transmission power lines would be located underground. Mr. Saltman replied that, likely, only the smaller telephone and power lines would be located underground.

Regents Leavitt and Rosenberg left the meeting.

29. Approved-Sale of Stead Parcel, UNR – The Board approved President John M. Lilley's request for the sale of Stead parcel #086-153-01, totaling 1.84 acres (*Ref. W on file in the Board office*).

Regent Alden moved approval of the sale of Stead parcel #086-153-01 for UNR. Regent Gallagher seconded.

Regent Alden asked whether an appraisal had been secured. Vice President Zurek replied affirmatively. Regent Alden asked whether the proposed sale met all of the parameters of Board oversight. Assistant Chief Counsel Nielsen replied that all aspects of this sale had been reviewed by the legal office.

Motion carried. Regents Howard, Leavitt, Rosenberg, Schofield, Sisolak, and Whipple were absent.

Regent Howard entered the meeting.

30. Approved-Sale of Seven-Acre Feet of Water Rights (Stead), UNR – The Board approved President John M. Lilley's request for the sale of seven (7) -acre feet of water rights to the Diocese of Reno at appraised value for Stead parcel #086-143-06 (*Ref. X on file in the Board office*).

Regent Alden moved approval of the sale of seven-acre feet of water rights in Stead, Nevada for UNR. Regent Gallagher seconded.

Regent Alden established that a proper appraisal had been conducted and that the transaction had been reviewed by legal counsel.

Motion carried. Regents Leavitt, Rosenberg, Schofield, Sisolak, and Whipple were absent.

The meeting recessed at 11:20 a.m. and reconvened at 11:44 a.m. with all members present except Regents Derby, Dondero, Sisolak, and Whipple.

31. Approved-Academic, Research & Student Affairs Committee Recommendations - Chair Howard Rosenberg reported the Academic, Research & Student Affairs Committee met April 14, 2005 and heard an update on advising and scheduling. Staff proposed a strategy and action plan for addressing issues concerning advising, class offerings, and scheduling that may deter seniors from graduating in a timely manner. The Committee provided input and made further recommendations on the action plan. The Committee confirmed the following individuals for Regents' awards:

➤ · Regents' Awards – The Committee recommended approval of the following Regents' awards (*Ref. Y on file in the Board office*) .

✓ · Nevada Regents' Creative Activity Award.

Professor Douglas Unger, UNLV.

31. Approved-Academic, Research & Student Affairs Committee Recommendations – (*Cont'd.*)

✓ · Nevada Regents' Researcher Award.

Dr. John Watson, DRI.

✓ · Nevada Regents' Teaching Award.

Dr. Doris D. Dwyer, WNCC – *Community College Faculty* .

Dr. Scott E. Casper, UNR – *University and DRI Faculty* .

✓ · Nevada Regents' Academic Advisor Awards.

Mr. Carmen Annillo, CCSN.

Ms. Lisa Costa Campbell, GBC.

Mr. Lyle Smith, NSC.

Ms. Paige Parker Hurley, TMCC.

Dr. Larry L. Ashley, UNLV *Undergraduate* .

Dr. Barbara G. Brents, UNLV *Graduate* .

Dr. Eileen Hickey-Weber, UNR *Undergraduate* .

Dr. Christie Howard, UNR *Undergraduate* .

Dr. Scott Tyler, UNR *Graduate* .

Ms. Dianne Hilliard, WNCC.

Assistant Chief Counsel Nielsen related that any motion to accept the report should also include the intent to waive Title 4, Chapter 1, Section 19, which applies to the Academic Advisor Awards since two awardees would be sharing one award. Board policy provides that each institution can convey one award (*graduate and undergraduate*) to a single recipient.

Regent Seastrand moved approval of the Committee recommendations and acceptance of the report, waiving provisions of Title 4, Chapter 1, Section 19. Regent Leavitt seconded.

Chair Rosenberg requested Board action on the following Committee recommendations:

➤ · Minutes – The Committee recommended approval of the minutes from the February 3, 2005 ARSA Committee meeting.

➤ · New Program Proposals – The Committee recommended approval of the following new program proposals:

✓ · Bachelor of Applied Science, Horticulture Business Management, NSC (*Ref. ARSA-2 on file in the Board office*) .

✓ · Bachelor of Applied Science, Automotive Technology Management, NSC (*Ref. ARSA-3 on file in the Board office*) .

✓ · Ph.D., Resource Economics, UNR (*Ref. ARSA-6 on file in the Board office*) .

✓ · Bachelor of Arts, Secondary Education, GBC (*Ref. ARSA-9 on file in the Board office*) .

➤ · New Center Proposal – The Committee recommended approval of the following new center proposal:

✓ · Center for Health Disparities Research, UNLV (*Ref. ARSA-4 on file in the Board office*) .

➤ · New Institute Proposal – The Committee recommended approval of the following new institute proposals:

✓ · Public Lands Institute, UNLV (*Ref. ARSA-5 on file in the Board office*) .

31. Approved-Academic, Research & Student Affairs Committee Recommendations – (*Cont'd.*)

✓ · Institute for Innovation and Informatics, UNR (*Ref. ARSA-7 on file in the Board office*) .

➤ · Elimination of Program, Master of Science, Health Ecology, UNR – The Committee recommended approval of the elimination of the M.S. in Health Ecology in response to the renaming of the masters program to Masters of Public Health (*Ref. ARSA-8 on file in the Board office*) .

Regent Dondero entered the meeting.

Motion carried. Regents Derby, Sisolak, and Whipple were absent.

32. Approved-Audit Committee Recommendations - Chair Douglas Roman Hill reported the Audit Committee met April 14, 2005 and received follow-up responses for nine internal audit reports presented to the Committee at the October 2004 meeting. Mrs. Sandi Cardinal, Assistant Vice Chancellor, reported that the institution bank reconciliations were up-to-date. Regent Howard requested an item to discuss the possibility of an internal audit to verify the degrees of employees. Mrs. Carla Henson, System Human Resources Director, provided information on an on-line degree verification system that is available to the institutions to verify degrees. No action was taken by the Committee. Regent Rosenberg requested a complete internal audit of the UNR parking department, which was tabled. The Committee discussed the CASE standards for capital campaigns. Action was deferred to the next meeting when the Foundations will bring forward a set of unified standards. A discussion of the process for Regents to request an audit will be considered on the next Committee agenda. Regent Hill requested Board action on the following Committee recommendations:

➤ · Minutes – The Committee recommended approval of the minutes from the February 3, 2005 Audit Committee meeting.

➤ · Internal Audit Reports – The Committee recommended approval of the following Internal Audit Reports (*Ref. Z on file in the Board office*) :

✓ · Construction Follow-Up Audit, UNR (*Ref. A-2 on file in the Board office*) .

✓ · Campus Housing, UNLV (*Ref. A-3 on file in the Board office*) .

✓ · Publications/Reprographics, UNLV (*Ref. A-4 on file in the Board office*) .

✓ · Presidential Exit Audit, NSC (*Ref. A-5 on file in the Board office*) .

✓ · Planetarium, CCSN (*Ref. A-6 on file in the Board office*) .

✓ · Performing Arts Center, CCSN (*Ref. A-7 on file in the Board office*) .

✓ · Presidential Exit Audit, CCSN (*Ref. A-8 on file in the Board office*) .

Regent Hill moved approval of the Committee recommendations and acceptance of the report. Regent Gallagher seconded.

Regent Alden asked about a policy reflecting Regent Howard's concern regarding the verification of degrees of employees. Assistant Chief Counsel Nielsen replied that the Board passed a specific policy included in the Code requiring verification of degrees

32. Approved-Audit Committee Recommendations – (*Cont'd.*)

within 30 days of hiring. Regent Alden asked about existing employees. Ms. Nielsen replied that it was her understanding that the institutions require transcripts to be produced in support of degrees listed on the applications. The policy does not address retroactive action for existing employees. Regent Alden felt the Board should review the matter. He also offered to assist the Committee or Regent Rosenberg with his concerns, adding that it was difficult to request an audit without an underlying rationale.

President Lilley said they were struggling with the implementation of the Regents' recently passed policy. He felt it needed to be revisited.

Regent Derby entered the meeting.

Vice Chancellor Klaich observed that a bill pending in the Legislature would make falsification of credentials a crime, which would apply in this area.

Motion carried. Regents Sisolak and Whipple were absent.

33. Approved-Budget & Finance Committee Recommendations - Chair Mark Alden reported the Budget & Finance Committee met April 14, 2005 and considered the following reports:

- · All UCCSN funds revenues and expenses for the second quarter of fiscal year 2004-05.
- · Fiscal exceptions of self-supporting budgets and the status of state appropriations for the second quarter of fiscal year 2004-05.
- · Institutional operational efficiencies implemented by the UCCSN institutions through the first six months of fiscal year 2004-05 to increase productivity and thereby reduce waste and cost.
- · The current status of technology funding for the 2005-07 biennium and the need for funding of the implementation of a new Enterprise Resource Planning(ERP) system.

Regent Alden requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the February 3, 2005 Budget & Finance Committee meeting.
- · Mid-Year Fiscal Year 2004-05 Self-Supporting Budgets and Summer School Budgets Calendar Year 2005 – The Committee recommended approval of the mid-year fiscal year 2004-05 self-supporting budgets and the summer school budgets for calendar year 2005.
- · IFC Approval for Property and Contents Insurance Premium Savings – The Committee recommended approval of seeking Interim Finance Committee authorization to expend property and contents insurance premium savings for related property/risk management functions (*Ref. BF-7 on file in the Board office*).
- · IFC Approval for Additional Student Fee Revenues – The Committee recommended approval of seeking Interim Finance Committee authorization to expend additional student fee revenues within the state supported operating budgets for fiscal year 2004-05 (*Ref. BF-8 on file in the Board office*).

33. Approved-Budget & Finance Committee Recommendations – (*Cont'd.*)

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

34. Approved-Banking RFP Committee Recommendations - Chair Kathleen Payne reported the Banking Request for Proposal Committee met March 14, and April 12, 2005 and requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the March 14, 2005 Banking RFP Committee meeting.
- · RFP Timeline – The Committee recommended approval of a timeline for the Request for Proposal for various banking services.
- · RFP Review – The Committee recommended approval of the Request for Proposal for commercial banking services, credit card processing, automated teller machines, a purchasing card, and a travel card. The RFP is scheduled to be mailed to over forty vendors on May 9, 2005. The Committee will bring recommendations for these services to the September 2005 Board meeting.
- · RFP Vendors – The Committee recommended approval of the list of potential vendors.
- · RFP Criteria – The Committee recommended approval of the selection criteria.

Regent Alden asked whether all the requirements of the Open Meeting Law had been met. Assistant Chief Counsel Brooke Nielsen replied affirmatively. Regent Alden expressed concern that all decisions of the Committee would rest with the full Board.

Regent Alden moved approval of the Committee recommendations and acceptance of the report. Regent Derby seconded. Motion carried. Regents Sisolak and Whipple were absent.

35. Approved-Technology Task Force Recommendations – Chair Douglas R. Seastrand reported the Technology Task Force met February 18, and March 11, 2005. At the February 18th meeting, Vice President Gerry Bomotti presented preliminary proposed models for funding an integrated information system conversion. Business Center North Purchasing Director Ray Moran briefed the Task Force on the required bid process for

purchasing an ERP. The Task Force discussed the vendor selection process and the groups who should participate in vendor evaluations. Discussion included how to ensure the selection process conforms to the Open Meeting Law. SCS was instructed to provide a proposed vendor selection plan at the March meeting.

At the March 11th meeting, an updated proposed funding model was presented, which included the SCS funds and personnel that can be reallocated to the ERP project as it progresses. Assistant Chancellor Trudy Larson reported that Vice President Rebecca Mills had been appointed to chair the search for the new Vice Chancellor for Technology. The Task Force discussed the need to maintain good communication with the UCCSN community with respect to the status of the ERP project and recommended

35. Approved-Technology Task Force Recommendations – (Cont'd.)

that Chair Seastrand provide regular updates. SCS was directed to provide a communication plan at the April meeting. Ms. Linda Kennedy, Manager, SCS Project Office, provided a presentation of a proposed project plan for ERP vendor selection. The Task Force discussed the roles of the Regents, Chancellor, Task Force, and assigned staff and recommended that the Vice Chancellor for Technology serve as the project director. A revised project plan will be presented at the April meeting. Vice Chancellor Becky Seibert reported that a consultant will be hired soon to assist with the vendor selection and with evaluating various implementation strategies with respect to centralization or decentralization.

Regent Seastrand requested Board action on the following Task Force recommendations:

- · Vice Chancellor for Technology Search – The Task Force recommended approval of the vice chancellor search process as well as the position job description and provided direction regarding both the process and the job description.
- · Project Planning – The Task Force considered recommendations and options concerning the process of selecting a vendor and an overall project implementation plan and approved the deliverables as presented.
- · Vendor Evaluations – The Task Force discussed how vendors will be evaluated and approved directing staff to evaluate several firms and to return with information they feel is essential in order for the Task Force to properly evaluate and select a vendor(s).

Regent Seastrand reported that the Task Force was comprised of a group of dedicated people committed to seeing the project through to its completion.

Regent Seastrand moved approval of the Task Force recommendations and acceptance of the report. Regent Derby seconded.

Regent Derby acknowledged Regent Seastrand's leadership role with this challenging and important project. Regent Seastrand replied that many people were involved providing great work.

Regent Rosenberg thanked Vice Chancellor Seibert for her fantastic work and stepping into a situation which had not been easy.

Regent Alden echoed Regent Derby's remarks, adding that the Board owed Regent Seastrand a debt of gratitude.

Regent Howard asked who was handling the vice chancellor search. Regent Seastrand replied that Dr. Rebecca Mills would serve as chair of the search committee, adding that the Task Force had provided input and would oversee the process.

Motion carried. Regents Sisolak and Whipple were absent.

35. Approved-Technology Task Force Recommendations – (Cont'd.)

Regent Seastrand expressed his appreciation for Vice Chancellor Seibert's efforts, adding that she would be missed following her retirement.

36. Approved-Health Education Task Force Recommendations - Chair Thalia M. Dondero reported the Health Education Task Force met February 18, 2005. A new member, Ms. Jackie Taylor, was introduced to the Task Force. She has extensive experience in hospital administration and nursing. The Task Force discussed the “21st Century Health Professions Summit”, which will provide the opportunity to collect information from Nevada’s health care industry and discuss health profession needs, trends, and training with Nevada’s educational leaders. Participation in the summit should be broad based and include the Governor’s Office. It is tentatively scheduled for Fall 2005. A report on the UCCSN progress in doubling the nursing capacity was provided. Continuing challenges include funding and finding nursing faculty. Regent Dondero requested Board action on the following Task Force recommendations:

- · Minutes – The Task Force recommended approval of the minutes from the Health Education Task Force meeting held June 21, 2004.
- · Health Professions Summit – The Task Force appointed a subcommittee to organize a “21st Century Health Professions Summit” in the Fall 2005.

Regent Dondero moved approval of the Task Force recommendations and acceptance of the report. Regent Alden seconded. Motion carried. Regents Sisolak and Whipple were absent.

37. Approved-Investment Committee Recommendations – Regent Douglas Seastrand reported the Investment Committee met February 25, 2005. Mr. William Atlas, Cambridge Associates, reviewed the asset allocation and performance for the pooled endowment and pooled operating funds of the UCCSN for the quarter ending December 31, 2004. Endowment investments returned 7.5% for the quarter (*compared to the 7.7% benchmark*) and 12.8% for the calendar year (*compared to the 12.0% benchmark*). The total return for the pooled operating funds was 4.4% for the quarter (*compared to the 3.8% benchmark*) and 7.4% for the calendar year (*compared to the 7.0% benchmark*). The Committee also reviewed the current status of the operating fund reserve, which was \$16.5 million as of February 15, 2005. Regent Seastrand requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the Investment Committee meeting held November 8, 2004.
- · Handbook Revision, Investment Policies – The Committee recommended approval of changes to the investment policies of the operating fund and the endowment fund.

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

38. Accepted-Board Development Workshop Report - Chair Thalia M. Dondero reported the Board Development Committee sponsored a workshop on March 10, 2005, devoted to Ethics and Civility. Stacy Jennings, Executive Director of the State Ethics Commission provided a presentation entitled “*Nevada Ethics in Government*.” Dean Richard Morgan and Professor Jeff Stemple of the UNLV Boyd School of Law conducted an interesting session on “*Civility and Ethics*.” Vice Chancellor Buster Neel and Assistant Vice Chancellor Sandi Cardinal then reviewed the Sarbanes-Oxley Act of 2002 and its impact to higher education.

Regent Dondero moved acceptance of the report. Regent Seastrand seconded. Motion carried. Regents Sisolak and Whipple were absent.

39. New Business – None.

The meeting adjourned at 12:10 p.m.

Suzanne Ernst
Chief Administrative Officer to the Board