

Minutes are not final until approved by the Board of Regents at the December 2005 meeting

**BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION**
Rotunda, Third Floor

Frank H. Rogers Science & Technology Building
Desert Research Institute
755 E. Flamingo Road, Las Vegas
Thursday-Friday, September 22-23, 2005

Members Present: Mr. Bret Whipple, Chair

Mr. Mark Alden
Dr. Stavros S. Anthony
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. Steve Sisolak
Mr. Michael B. Wixom

Others Present: Chancellor James E. Rogers

Vice Chancellor, Legal Affairs & Administration, Daniel Klaich
Vice Chancellor, Finance & Facilities Planning, Harry E. Neel
Vice Chancellor, Academic & Student Affairs, Jane Nichols
Vice Chancellor, Technology, Lee Alley
General Counsel Bart Patterson
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
Interim Clerk of the Board Fini Dobyns

Also present were faculty senate chairs Dr. Darren Divine, CCSN; Dr. Paul Verburg, DRI; Dr. Linda Uhlenkott, GBC; Dr. Francine Mayfield, NSC; Mr. Kurt Hall, TMCC; Dr. Clint Richards, UNLV; Dr. Leah Wilds, UNR; Mr. Richard Kloes, WNCC; and Ms. Kathryn Weiss, System Administration. Student government leaders present included Mr. Cory Drumright, CCSN; Ms. Robbi Phillips, GBC; Mr. Anthony Filippo, NSC; Ms. Alanna Stewart-Bell, TMCC; Mr. Peter Goatz, UNLV; Mr. Frederick Krauss, UNLV-GPSA; Mr. Jeff Champagne, UNR; Mr. Ed Johnson, UNR-GSA; and Ms. Elizabeth Contreras, WNCC.

Chair Bret Whipple called the meeting to order at 1:00 p.m. with all members present with the exception of

Regent Schofield.

Regent Howard led the pledge of allegiance.

Pastor Art Gafke of the Trinity United Methodist Church offered the invocation.

Regent Schofield entered the meeting.

1. Introductions – Regent Whipple introduced Dr. Jane Nichols who had returned to the System as Vice Chancellor for Academic and Student Affairs. Regent Whipple then introduced Dr. Lee Alley, Vice Chancellor for Information Technology.

President Wells introduced Dr. Cleve McDaniel, Vice President of Finance and Administration at DRI. President Lucey introduced Dr. Marilou Jarvis as Interim Vice President of Finance and Administration for WNCC. President Carpenter introduced Cory Drumright, CCSN Student Body President; Dr. Art Byrd, Vice President for Student Affairs at CCSN; Dr. Mike Richards, Vice President for Academic Affairs for CCSN; Dr. Frank Dipuma, Director of Institutional Research at CCSN; and recognized Greg Hampton, Art Davis and Rick Lambert for their assistance with the audiovisual support. President Maryanski introduced Interim Vice President for Student Services Dr. Jim LaBuda.

2. Chair's Report - Chair Bret Whipple, as part of the Chair's Report, requested the president of DRI to introduce one student and one faculty member to discuss a topic of the hosting president's choosing to help provide Board members with a focus on the reasons they serve as Board members. Chair Whipple also discussed some of the Board's accomplishments and related matters.

Chair Whipple thanked the Board for the opportunity to serve as Chair and thanked Regent Gallagher for her willingness to serve as Vice Chair and for the assistance she had provided. He acknowledged former Regent Doug Seastrand in the audience. He thanked Regents Seastrand and Anthony for the examples they provided as past Board Chairs. Regent Whipple stated he and Regent Gallagher decided to ask the host president to bring forward a student and a professor to provide an opportunity for each member of the Board to see the System through their eyes. He then thanked President Wells for the gifts provided.

President Wells thanked the Board for the opportunity to highlight students, faculty and education. DRI supports graduate, undergraduate education and opportunities for students to experience innovative research by working collaboratively with sister institutions.

Mr. Feng Pan was introduced as a graduate student at UNLV doing research at DRI in hydrologic sciences. President Wells noted that Mr. Pan was the recipient of the Distinguished Maki Fellowship in Hydrologic Sciences. Mr. Pan received his B.S. in hydrology and water resources from Sichuan University in China in

2. Chair's Report – *(Continued)*

2001, his M.S. in water resource management from UNLV in 2005, and became a doctoral candidate in hydrology at UNLV in the Fall 2005. While working on his master's degree, Mr. Pan's research focused on analyzing the movement of radionuclides in the unsaturated zone of the Yucca Mountain area. The results of this research can be used to improve science-based decision making and risk analysis for the Yucca Mountain project. During his fellowship, Mr. Pan will continue research in numerical modeling of groundwater flow and radionuclide transport and surface and subsurface hydrology. President Wells felt it was important to recognize the role that international students play in higher education.

President Wells introduced Dr. Lynn Fenstermaker who has been conducting research on ecological responses to global change in deserts for some time and recently completed her Ph.D. at UNLV. Dr. Fenstermaker stated she is a remote sensing ecological scientist and the director of the Nevada Desert Research Center which is a successful collaborative effort between UNR, UNLV and DRI. She explained that the Nevada Desert FACE (Free Air Carbon Dioxide Enrichment) Facility is the only facility in an arid environment and natural ecosystem

in the world. The goal of FACE is to assess effects of elevated CO₂ on the desert at all scales. The Mojave Global Change Facility is complementary to research being done at the FACE Facility. The goal of the Mojave Global Change Facility is to assess effects of the treatments at all scales and combine results with NDDFF results to model the future ecology of the Mojave Desert. A remote control helicopter platform was developed in the past year for acquisition of multispectral images. Dr. Fenstermaker noted external researchers were being brought in to work at both desert locations. She thanked the Board for the opportunity to provide what is being done at the Nevada test site by DRI. President Wells added the research project was funded by the EPSCoR program.

Regent Whipple thanked President Wells and noted it was an exciting time for the Nevada System of Higher Education. Regent Whipple continued that he and Regent Gallagher had discussed bringing in more funds from outside sources. He stated that the System currently brings in approximately \$330 million per year. Regents Whipple and Gallagher want to provide support to the institutions to increase that amount. Regent Whipple was a guest at the Arizona Board of Regents' meeting and was given a tour of a program at University of Arizona by Dr. Peter Smith. Dr. Smith built a camera for the Mars program and submitted a successful bid to build the next ship to go to Mars. When the ship arrives on Mars, it will dig into the expected ice field, will test materials found and beam back the results. If life on Mars is found, Regent Whipple felt it would be found by the University of Arizona. Students working on the Mars project could be attracted by Nevada institutions.

3. Chancellor's Report - Chancellor James E. Rogers presented an overview of his State of the System address to the Board.

Chancellor Rogers acknowledged Vice Chancellor Nichols for accepting the offer to return to the System. He noted that Vice Chancellor Alley came from South Dakota which was a great loss to them, but a great addition to Nevada. He thanked Governor Guinn and the legislature for their support. He noted that discussions would be held later in the meeting regarding the academic medical center and its relationship to the medical school. Chancellor Rogers explained he has been spending 50% of his time talking with doctors, hospitals, and academic medical centers regarding how to increase the stature and value of the medical school and build an academic medical center in southern Nevada.

4. Public Comment – Ms. Debbie Fuetsch, Wells Fargo Bank, asked to address the Board concerning the commercial banking services award. Regent Whipple asked that her comments be held until that item was addressed.

Regent Derby asked about item 39, Sale of Real Property located at 5305 Mill Street, Reno, and wondered if public comment would be taken at that time. Regent Whipple stated that public comment would be held open until the end of the meeting.

Regent Alden expressed his concern that there may be those who could not attend the meeting on both days and thought flexibility was necessary. Regent Whipple responded that those in attendance had the choice to make their comments at this time or during the appropriate agenda item.

Ms. Rebecca Hoffer and Ms. Amna Khawaja, students at UNLV, asked to introduce a letter in support of the Arabic program at UNLV. The letter has several signatures from the community and students in support of the program. Chancellor Rogers asked the students to contact him to discuss the issue. Regent Gallagher asked whether the program had been started. Ms. Hoffer answered the program had been in effect for 5 years. Regent Gallagher asked how many students were in the program. Ms. Hoffer replied there are approximately 15-20 students in the classes and there are 28 credits in Arabic offered at UNLV. Regent Derby asked whether the program was in danger of not being continued or if the students wanted the program expanded. Ms. Hoffer answered the program had been cut back and only two of five language programs were being offered currently. Regent Rosenberg asked if the students wanted more sections offered. Ms. Hoffer responded they were asking for more courses to be offered and on a continual basis. Regent Rosenberg asked if the students were asking for support to expand the program. Ms. Hoffer replied yes. Regent Rosenberg asked if the students had discussed

the matter with the chair of the foreign language department. Ms. Hoffer answered the chair informed her that there were no plans to expand due to staffing issues. Regent Derby asked if there had been more classes offered. Ms. Hoffer replied there were three classes offered for this semester, however, one was cut at the last minute. Regent Howard asked if staffing was an issue as Arabic is not a language that many can teach. President

4. Public Comment – (Continued)

Harter clarified ten foreign languages are taught at UNLV. In the last two months there have been petitions to teach Philippino, Greek and Arabic. She continued that there are 90 countries and 70 languages represented among the student body and UNLV would teach them all, but it is a matter of resources and staffing.

5. Approved-Consent Agenda – The Board approved the Consent Agenda with the exception of items 3 (Tenure upon Hire, UNR), 4, 5, 6 (Tenure upon Hire, UNLV), 7 (Handbook Revision, Restructure of Board Clerk/Chief Administrative Officer to Secretary to the Board), 9 (Handbook Revision, Nevada Regents' Awards), 12 (UNR, Cell Phone Antenna Space Rental), and 14 (NSC Library Project) which were considered separately. Item 8 was withdrawn.

(1) Approved-Minutes – The Board approved the minutes from the regular meeting held June 23-24, 2005 and the Chancellor Search Committee minutes from the meetings held April 25, 2005 and April 28, 2005.

(2) Approved-Unpaid Leave Request, CCSN – The Board approved President Richard Carpenter's request for an unpaid leave of absence for CCSN Faculty Michael Stultz (*Ref. C-2 on file in the Board office*).

(10) Approved-Handbook Revision, Student Government Association Constitution, GBC – The Board approved President Paul Killpatrick's request for approval of the GBC Student Government Association Constitution (*Title 5, Chapter 11*) (*Ref. C-10 on file in the Board office*).

(11) Approved-Handbook Revision, Addition to the UNLV Bylaws – Title 5, Chapter 6, Sections 4.4.4 and 4.4.5 – The Board approved the UNLV Faculty Senate's request for the addition of Section 4.4.4: Approval of College, Department or Unit Bylaws and Section 4.4.5: Suspension of College Bylaws to Title 5, Chapter 6, Section 4.4 of the Board of Regents Handbook (*Ref. C-11 on file in the Board office*).

(13) Approved-Short-Term Lease Extensions of Stead Parcel No.'s 086-141-02, 086-141-03 and 086-142-04 – The Board approved President John M. Lilley's request for approval to extend the leases to the United States Department of Labor, Employment and Training Administration for 10 months on Stead parcel no.'s 086-141-02, 086-141-03 and for 6 months on Stead parcel no. 086-142-04 (*Ref. C-13 on file in the Board office*).

Regent Sisolak asked that items 3, 4, 5, 6, 9 and 14 be considered separately.

5. Approved-Consent Agenda – (Continued)

Vice Chancellor Klaich noted that item 8 had been withdrawn. Regent Howard asked that items 7 and 12 be considered separately.

Regent Alden moved approval of the Consent Agenda with the exception of items 3, 4, 5, 6, 7, 8, 9, 12 and 14. Regent Derby seconded. Motion carried.

Consent Agenda items considered separately

(3) Approved-Tenure Upon Hire, UNR – The Board approved President John M. Lilley's request for the tenure upon hire of Dr. Mark L. Brenner to the Department of Biochemistry, College of Agriculture, Biotechnology and Natural Resources (*Ref. C-3 on file in the Board office*).

Regent Sisolak stated he did not feel qualified to vote on tenure and thought that the Regents voting on tenure would be an agenda item. Regent Whipple believed this was an item on the agenda. Regent Alden concurred

with Regent Sisolak. Vice Chancellor Klaich stated the policy was on the agenda for later discussion.

(4) Approved-Tenure Upon Hire, UNLV – The Board approved President Carol C. Harter’s request for tenure upon hire for Elaine Shoben, J.D., effective July 1, 2005. Professor Shoben has accepted UNLV’s offer as Professor of Law with tenure in the William S. Boyd School of Law (Ref. C-4 on file in the Board office).

(5) Approved-Tenure Upon Hire, UNLV – The Board approved President Carol C. Harter’s request for tenure upon hire for Ardyth B. Sohn, Ph.D., effective July 1, 2005. Dr. Sohn has accepted UNLV’s offer as Director of the Hank Greenspun School of Journalism and Media Studies and as a full professor with tenure in the School within the Greenspun College of Urban Affairs (Ref. C-5 on file in the Board office).

(6) Approved-Tenure Upon Hire, UNLV – The Board approved President Carol C. Harter’s request for tenure upon hire for Linda Stetzenbach, Ph.D., effective August 1, 2005. Dr. Stetzenbach has accepted UNLV’s offer as Professor of Environmental and Occupational Health with tenure in the School of Public Health (Ref. C-6 on file in the Board office).

Regent Alden moved approval of items 3, 4, 5, and 6. Regent Leavitt seconded. Motion carried. Regents Howard, Sisolak and Rosenberg abstained.

(7) Approved-Handbook Revision, Restructure of Board Clerk/Chief Administrative Officer Position to Secretary to the Board – The Board approved Chair Bret Whipple’s request to restructure the position of Clerk of the Board/Chief Administrative Officer to “Secretary to the Board”. This is the second reading of the proposed amendments to Regents’ Bylaws (*Title 1, Article IV, Sections 5 and 6*). All Handbook references to “Clerk of the Board” or “Chief Administrative Officer” will be changed to “Secretary to the Board” (Ref. C-7 on file in the Board office).

Regent Howard asked for clarification regarding how the new structure would work, whether the roles of the individuals had changed and the new structure for the Chief Administrative Officer. Vice Chancellor Klaich replied the primary change in the roles was to shift the function of external communications from the Chief Administrative Officer to the Chancellor. Ms. Ernst had those functions and was the Chief Executive Officer to the Board. Under the title of Secretary to the Board, the duties to the Board will continue with the exception of external relations functions. Regent Howard asked if Ms. Ernst would work directly for the Chancellor and what her new title would be. Vice Chancellor Klaich responded Ms. Ernst would no longer be an officer to the Board but would be an assistant to the Chancellor, a position she took July 1, 2005. He explained there was currently an interim serving as Secretary to the Board and this agenda item was a second reading for a Bylaw change. He continued that there was an item later in the agenda to appoint a permanent secretary. Vice Chancellor Klaich stated this item had nothing to do with Ms. Ernst as she did not hold this position and was not a candidate for the position. Regent Howard asked why the change was made. Vice Chancellor Klaich responded that external relations was transferred to the Chancellor. He cautioned that Ms. Ernst was not notified that her past or current performance would be discussed. Regent Howard asked why the structural change was made. Regent Rosenberg explained that several years ago, when the change was made, there was a Secretary to the Board and Ms. Ernst was the External Relations Officer. When the previous secretary retired, it was thought that the two positions could be merged. As time went on, it became apparent that it may not have been a wise decision. He continued this change would go back to the original arrangement and trying to correct a mistake.

Chancellor Rogers added that he found that Ms. Ernst’s duties were so extensive, that assistance to him was not possible. He wanted her to work as a historian and in assisting him as Chancellor. He felt handling the matters of the Regents could be handled by someone else. Regent Howard expressed her concern that there was a void in the southern office and there was no one the Board could communicate with. Regent Whipple thought this could be addressed at the workshop. Vice Chancellor Klaich stated the Board had two decisions: if this was the correct structure and the appointment of an incumbent. Regent Howard understood the Chancellor utilizing Ms. Ernst and her resources in the System but she liked utilizing her also.

(7) Approved-Handbook Revision, Restructure of Board Clerk/Chief Administrative Officer Position to Secretary to the Board – (Continued)

Regent Anthony moved approval to restructure the position of Clerk of the Board/Chief Administrative Officer to Secretary to the Board. Regent Hill seconded. Motion carried. Regent Rosenberg abstained.

(9) Approved-Handbook Revision, Nevada Regents' Awards – The Board approved Staff's request for a proposed amendment regarding the Regents' Awards (*Title 4, Chapter 1, Sections 16-19*). The policy revision allows faculty and staff who have received a Regents' Award to use the title of such in perpetuity (*Ref. C-9 on file in the Board office*).

Regent Sisolak thought this item had originally been discussed at the WNCC meeting. He stated the Regent Academic Advisor Award was a recognition award and thought it was unfair to award less money to state college and community college recipients than the university recipients of the award. Regent Derby expressed her confusion as the main issue of this item was to use the title in perpetuity and she felt the award amount was a side issue. Regent Sisolak stated when this was brought forward initially, it was the same thing and he was told the issues would be addressed at the same time. He continued that the issue of perpetuity was being addressed but the stipend was not and he felt it was unfair.

Regent Sisolak moved approval of allowing Regents' Award recipients to use the title of such in perpetuity, with the amendment that a \$5,000 award be made to all recipients of the Regent's Academic Advising award. Regent Howard seconded.

Regent Rosenberg suggested withdrawing the item and having both issues addressed at the December meeting. Regent Sisolak stated he would be satisfied amending the stipend to say \$5,000 for all recipients.

Regent Gallagher asked where the money for the awards came from. Associate Vice Chancellor Chairsell replied the institutions provide the stipends for all awards except the scholar award which comes from the Regents. She explained it was agreed to look at a broader array of Regents' Award issues. Discussions were begun to determine issues and it was found that several suggestions had fiscal impact that needed to go before the presidents. It was decided to bring this recommendation forward as it had no fiscal impact. There is a list of suggestions, concerns and options to provide to Vice Chancellor Nichols. It is hoped that the suggestions received and desires of the Board could be included for next year's awards. Regent Rosenberg asked if the Chancellor's office would have funds to assist with the awards for this year. Vice Chancellor Nichols explained the impact

(9) Approved Handbook Revision, Nevada Regents' Awards – (Continued)

fell upon the institutions for the Regents' Academic Advisor Award. She felt that with positive input from the presidents, there was no reason to not approve the proposal. Presidents Ringle, Carpenter and Maryanski expressed their support. Regent Sisolak acknowledged the support of presidents on this issue and hoped faculty appreciated the presidents.

Motion carried.

(12) Approved-UNR, Cell Phone Antenna Space Rental (T-Mobile)– The Board approved President John M. Lilley's request for a proposed contract with TMO CA/NV, LLC (T-Mobile) Company of Bellevue, Washington for rental of space for cellular antenna and associated equipment. This lease is a replacement for a similar agreement with Cingular Wireless that the Board approved in June 2004. With the merger of Cingular and AT&T, Cingular had to divest itself of certain properties and therefore their agreement for this antenna will be transferred to T-Mobile (*Ref. C-12 on file in the Board office*).

Regent Howard expressed her concern about the 15 year contract. Mr. Zurek answered this was a standard contract and a replica of the previously approved contract. Regent Howard asked why the contract was 15 years long. Mr. Zurek felt that T-Mobile wanted to ensure there was a dependable source for broadcasting. When

Regent Howard asked if this was fair, Mr. Zurek replied it was. He continued there were existing antennas on the tower that were structured the same way. He mentioned this was a competitive area. Regent Wixom asked about the site's location. Mr. Zurek responded on the east side of campus near the buildings and grounds facility on an existing tower. Regent Wixom asked if there were long-term issues for use of the property. Mr. Zurek responded there were not.

Regent Sisolak moved approval of the cell phone antenna space rental. Regent Gallagher seconded. Motion carried. Regent Rosenberg abstained.

(14) Approved-NSC Library Project – The Board approved President Fred Maryanski's request to use Capital Improvement Fee Funds to renovate Nevada State College's Library (*Ref. C-14 on file in the Board office*).

Regent Sisolak recalled there was \$80,000 in the budget for library books that was directed to faculty salaries and now capital improvement fees were being requested to renovate the library that will not have any books. Ms. Sandy Boyle, Vice President for Finance, responded that NSC would be able to buy books this year. She continued that the renovation would provide expanded space to buy books for new programs.

(14) Approved-NSC Library Project – (*Continued*)

Regent Sisolak moved approval of the NSC library project. Regent Hill seconded. Motion carried.

6. Information Only-Presentation by Chevron Energy Solutions - Chevron Energy Solutions made a presentation to the Board on its privatized development and financing program and how it may serve the educational facility needs of NSHE (*Ref. A on file in the Board office*).

Chancellor Rogers commented that all past funding, excluding private sources, was from the legislature providing funds for specific projects so that the money was available prior to beginning the project. It is necessary to develop other sources of funds for capital improvements. He noted the legislature passed a bill allowing the System to enter into lease/purchase agreements, which will allow buildings to be built and paid for over a period of time. He stated there were no specific projects in mind at this time, although the legislature allowed the System to have three. Once projects were selected, Chancellor Rogers related they would come to the Board for approval.

Ms. Tracy Lampton, Chevron Energy Solutions, began her company's presentation.

CHEVRON

- • Chevron, one of the largest companies in USA - \$151 billion in annual revenues and headquartered in California
- • Fifth largest integrated energy company in the world
- • Chevron is the leading gas provider in Nevada
- • Chevron invested over \$500M in clean energy technologies including hydrogen, fuel cells and advanced batteries
- • Construction of Angola Oil Rig – World's first compliant piles tower outside the Gulf of Mexico
- • Fifth tallest free standing structure in the world

CHEVRON ENERGY SOLUTIONS

- • CES is a division of Chevron that implements over \$200M a year in energy conservation projects across the country
- • CES has implemented over \$94M in projects for the federal government
- • CES is the fastest growing performance contractor in the country
- • CES has implemented a number of projects with renewable technology including a 28,000 square foot solar installation at USPS in California

NEVADA STATE COLLEGE

- • Utilize Renewable Technology and Green Sustainable Design

- • Design/Build/Finance Phase II expanded campus for approximately 6,000 students

6. Information Only-Presentation by Chevron Energy Solutions – *(Continued)*

- • Initiate an aggressive schedule to complete the campus by Fall Semester 2007
- • Utilize a local team
- • Finance the campus via a lease purchase program
- • Implement educational initiatives

CAMPUS PLAN

Phase II

- • Additional classroom buildings
- • Administration building
- • Power plant/chilled water plant
- • Library/student union/bookstore/dining

Timeline

- • Target date for completion will be Fall Semester 2007

DECKER/PERICH/SABATINI ARCHITECT

- • Over 44 years of experience with 3,000 projects over \$1B and more than 90 design awards
- • Nevada Higher Education Project Experience
- UNLV – 7 buildings
- UNR – New Knowledge Center (Design Consultant)
- Western Nevada Community College – Applied Science Building
- • Other Higher Education Experience
- University of New Mexico, Albuquerque – 18 buildings
- College of Santa Fe, New Mexico – 2 buildings
- New Mexico State University – 9 buildings
- NM Junior College – 6 buildings
- NMHU – Science Technology Center

MCCARTHY GENERAL CONTRACTOR

- • One of the largest education contractors in US
- 156 projects completed nationwide with experience in laboratories, teaching facilities, libraries, hospital, parking and student housing
- • Nevada Project Experience
- The Platinum - \$70M luxury condo-hotel
- Spring Valley Hospital - \$45M hospital
- The District at Green Valley Ranch - \$45M mixed use project
- • UNLV Experience
- Business Economics and Hotel Admin Building Frank and Estella Beam Hall
- Shadow Lane Biomedical Facility

6. Information Only-Presentation by Chevron Energy Solutions – *(Continued)*

- • Other Educational Projects
- College of San Mateo - \$20M new science building
- University of Colorado Hospital – winner of DBIA national award of excellence
- UC Berkeley Stanley Hall - \$115M new 289,000 sf nanotechnology lab
- \$84M Rebecca and John Moores UCSD Cancer Center
- \$8.8M Environmental and Natural Resource Building for University of Arizona
- Cornell University - \$46.5M nanofabrication research

FINANCING

- • We have financed millions of projects for schools, colleges and universities
- • Credit rating is one of the best in the country
- • Can utilize this credit rating to obtain very competitive financing interest rates and financing packages for lease purchase for Nevada State College

EDUCATIONAL INITIATIVES

- • On-site curriculum for renewable energy and energy conservation
- As part of the environmental studies, students will be able to have hands on access to the newest technology
- • High school recruiting to serve the Las Vegas community
- Implement a recruiting program at local high schools specializing in the much needed nursing and teaching professions
- • Campus wide, people oriented, energy conservation initiative
- Implement a program for staff and students to participate actively in energy conservation around the campus
- Implement a program with local maintenance personnel for ongoing commitment to energy conservation in operation of the building

STRATEGIC VALUE

- • Fortune 10 company = competitive financing through lease purchase options
- • Will utilize local resources – local economic stimulus package
- • Accountability for performance and cost containment
- • Active recruiting to expand campus and serve community needs
- • Energy efficient green sustainable campus to lower long-term operational costs and improve the environment

Regent Wixom asked what method (bonds, notes, etc.) would be used for financing, who the underwriter would be and how long it would take to get the financing in place and how that would affect the process. Mr. John Bergwell,

6. Information Only-Presentation by Chevron Energy Solutions – (Continued)

Project Finance Manager, responded the timeframe would be part of the proposal developed for the structure and in advance for the Regents to review and approve. The financial vendor was unknown, however, Chevron works with the largest financial institutions and would develop an RFP for the best rate. Regent Wixom asked who would be used for this type of transaction. Mr. Bergwell replied Citibank and Sun Trust had been used in the past. He continued that the financial vehicle would be determined by what is available in the market at the best price at the time. The preference would be to have a lease/purchase so that, in the event that the System wanted to have a prepayment opportunity, the payoff balance would be for construction. If bonds were used, there would be underwriting costs added to principle amounts. Chevron has a bias toward financing under a lease mechanism to contain payoff costs. Regent Wixom asked, if the lease/purchase option was used, would Chevron use their funds or go to the market. Mr. Bergwell answered they would go to the market. He noted that Chevron's resources would be tied up due to hurricane damage. He continued that if Chevron was awarded the opportunity to present a proposal, financing options would be included in the proposal. They have a bias toward financing in the form of a lease to avoid bond underwriting costs. Chevron's credit rating permits lease/purchase rates that are close to bond rates. Not using bonds lowers the cost of financing and allows for a cheaper prepayment opportunity.

Regent Alden asked if Chevron would still assist with curriculum if they were not awarded a project. Ms. Lampton responded that would be part of the partnership. Regent Rosenberg asked if cost containment meant there would be no cost overruns. Mr. Bergwell answered that was correct, it would be a fixed price with change orders only coming from the System. Regent Rosenberg asked whether a partnership of this kind would take the Public Works Board out of the equation. Chancellor Rogers replied he did not know but there will be ongoing dialogue between the Public Works Board and the System. Vice Chancellor Klaich added the transactions being discussed were private buildings as opposed to public buildings, however, these buildings will pass to ownership

of the state after completion. The current acceptor of state buildings is the Public Works Board and they will need to be close to the transaction so they will accept the building. Regent Hill asked if the System sold bonds to build a building, how would that work and why the lease option was better. Mr. Bergwell replied that when bonds are issued, there are two components that funds are used for: the capital project and to pay costs of bond issuance. He continued that, typically, lease/purchase agreements carry an interest rate premium because they do not have those costs. Given Chevron's credit rating, they would be able to get bond rates on a lease/purchase transaction without the soft costs of bond issuance. It was believed this would be cheaper than issuing bonds. He stated they would have to wait until they were in the market getting a financial commitment to make that promise. Regent Hill asked, if Chevron was selected for a project, would the rate be locked in. Mr. Bergwell answered yes. Regent Hill asked if there was a tax free

6. Information Only-Presentation by Chevron Energy Solutions – (Continued)

component. Mr. Bergwell answered this would be done as a tax exempt transaction as the building would be used for public benefit. Regent Hill asked if there was a basis for Chevron being able to predict the rate. Mr. Bergwell answered historical experience as he arranges financing for projects. He continued that Chevron receives close to AAA insured bond rates for customers.

Regent Derby asked what the advantage would be to the System. Mr. Bergwell replied there would be financial savings and the System would not need to receive full appropriation from the legislature to build buildings. Regent Derby thanked the Chancellor for bringing this forward. She liked the possibility of green buildings and thought this was a direction the System should be going. Mr. Bergwell noted that Chevron does university and college work across the country and, in the sunbelt states, renewable energy is part of the projects.

Regent Hill left the meeting.

Regent Sisolak stated this is another vehicle to build additional buildings beyond bonding capacity. Chancellor Rogers stated during the last legislative session, legislators were told they needed to maintain the level of funding for operations and for bricks and mortar, and the System would look at other options such as lease/purchase. Regent Sisolak asked why the focus was on NSC. Peter Byron, Sales Director, answered that in 2002 Chevron was involved in looking at the campus and would be able to finish the project in 24 months. The presentation was based on the Henderson site, but Chevron was willing to look at other sites. Chancellor Rogers explained Chevron was aware of NSC because of the history. Regent Sisolak explained that the presentations were not talking about a project but the firm. Chancellor Rogers answered that was correct.

Regent Dondero asked who Chevron would work with on the building. Mr. Byron responded they would work with staff and have an agreement on the configuration. Regent Wixom stated, because of the nature of development, Chevron could develop one part of a campus. He asked if Chevron could accept use restrictions on buildings so that if the lease were terminated the use of the building would be restricted to uses compatible to the overall campus environment. Mr. Bergwell replied that would not be within their control and would need to be negotiated with the lender.

Regent Hill entered the meeting.

Regent Howard asked how long the lease would be before the building became an asset of the System. Chancellor Rogers responded 20-30 years depending on amortization of the loan.

7. Information Only-Presentation by The Molasky Group of Companies - The Molasky Group of Companies made a presentation to the Board on its privatized development and financing program and how it may serve the educational facility needs of NSHE (*Ref. B on file in the Board office*).

Mr. Irwin Molasky thanked the Board for the invitation to present his company. He applauded Chancellor Rogers, Chair Whipple and the Board for their progressive thinking on lease/purchase options to meet educational needs. He stated the design/build process has many advantages over traditional bidding practices.

THE MOLASKY GROUP OF COMPANIES

- • Commitment to Las Vegas since 1951
- • Company built on a tradition of integrity and trust
- • Develop projects using only the highest standards for quality and design
- • Excited about the opportunity to partner with the Board of Regents to expedite the higher education development needs for Nevada schools

Mr. Molasky reviewed the executive team and introduced Mr. Richard Worthington, President, to continue the presentation. Mr. Worthington stated that the Molasky Group has experience in every segment of real estate development.

NEVADA SYSTEM OF HIGHER EDUCATION PROJECTS

- • The Molasky Group is committed to extending the full resources of the firm to help the Board of Regents and individual campus representatives define, develop and refine an optimized vision for their lease-purchase projects

A TEAM APPROACH

- • Successful development projects start with a team of experts led by a master developer with a proven track record
- • The Molasky Group has partnered with Lehman Brothers, the top underwriter of higher education bonds (\$21.6 billion placed since 2000), to structure the most competitive financing
 - Number 1 (and only) underwriter of lease/purchase bonds for the State of Nevada (3 transactions totaling \$59 million)
- • The specific and specialized development projects will dictate the best team fit for the architect and general contractor

Regent Howard left the meeting.

Mr. Worthington introduced Mr. Dick King of Lehman Brothers. Mr. King commented that Lehman Brothers has experience in higher education and public/private partnerships. They have financed biotech research facilities for the University of Washington, and energy conservation projects for the University of Utah and the University of San Diego. Lehman Brothers was privileged to work

7. Information Only-Presentation by The Molasky Group of Companies –(Continued)

with the Molasky Group on the Casa Grande project in Las Vegas currently under construction.

DESIGN BUILD APPROACH

- • We have custom tailored our design-build process to offer an integrated development solution which delivers thoughtfully designed high quality projects at a cost competitive basis

Mr. Worthington reviewed several projects that The Molasky Group had been involved with. He noted that judgment would be reserved on financing until a project was determined. Mr. Worthington thanked the Regents for the opportunity to make the presentation. Mr. Molasky continued the presentation.

THE MOLASKY GROUP IS THE RIGHT CHOICE...

- • Dependable local developer with a commitment to utilize Nevada based general contractors, architectural firms and minority businesses
- • Proven low cost provider of thoughtfully designed real estate development projects
- • Relevant lease/purchase experience
- • Certified staff with significant knowledge of requirements to deliver energy efficient LEED buildings
- • Ability to offer flexibility in project financing alternatives

Mr. Molasky stated five qualified firms had been invited to make presentations and he felt whoever was chosen

would perform capably.

Regent Alden thanked Mr. Molasky for all he had done for the community. Regent Sisolak asked for an explanation of the air conditioning system in the Molasky Building. Mr. Molasky replied it is an under air system where the floor is built up 14-16 inches with a 12-14 foot ceiling, the air is chilled under the floor system and sent through vents to cool the top 7 feet. This system results in a 30% savings in energy.

The meeting recessed at 3:07 p.m. and reconvened at 3:24 p.m. with all members present except Regents Howard and Sisolak.

8. Information Only-Presentation by Thomas and Mack Company - Thomas and Mack Company made a presentation to the Board on its privatized development and financing program and how it may serve the educational facility needs of NSHE (*Ref. C on file in the Board office*).

Mr. Tom Thomas, Managing Partner, Thomas and Mack Company, expressed his pleasure and appreciation for the opportunity to make a presentation. He introduced Mr. Peter Thomas and Mr. Tim Snow from Thomas & Mack, Mr. Frank Martin of Martin Harris Construction and Mr. Bradley Schulz, Vice President at JMA Architecture Studios. The Thomas & Mack team began

8. Information Only – Presentation by Thomas and Mack Company – (*Continued*)
analyzing a new and innovative approach to supply classroom buildings and other facilities to the campuses over three years ago. It was apparent that the System could not meet the demand for facilities by relying upon state funding. Private funding sources are needed to accelerate the production of facilities. Of equal importance, was the need to improve upon the speed of the delivery of facilities.

Regent Sisolak entered the meeting.

Mr. Thomas continued that his company came to the conclusion that in order to improve upon the delivery system of the past they needed to join the developer, architect and contractor together. The Board of Regents would retain the Thomas & Mack Company as the developer. Thomas & Mack would then retain the design/build team of Frank Martin and Tom Schoeman.

THOMAS & MACK EXPERIENCE

- Experience – Thomas & Mack has developed over 3.4 million square feet of facilities with a development cost of \$525 million
- Dependability – Proven track record of delivering over 46 buildings on-time and on-budget
- Financial Strengths – Thomas & Mack provides extensive resources for equity financing and access to capital markets
- Knowledge – Thomas & Mack has a complete understanding of the Las Vegas construction and financial markets
- Integrity and Stability – Thomas & Mack companies have earned an impeccable reputation doing business in southern Nevada since 1956

Mr. Thomas noted that his company began work on a public/private partnership for higher education several years ago that designed and proposed a \$10 million, 50,000 square foot classroom building for the West Charleston Campus of CCSN. As a result of those efforts, construction drawings are 40% complete for a highly efficient and cost effective building. Mr. Brad Schulz, JMA Architecture Studios, explained they were approached two years ago to find a resolution to a critical need for generic classrooms. A project was presented with 35 classrooms and an auditorium in 55,000 square feet. The project was designed in three parts: classroom pod, classroom and general office area and the auditorium above that. The concept could be used at campuses around the state. This was seen as an example of what the design team could bring for future projects which could be brought online quickly.

MARTIN/SCHOEMAN EXPERIENCE

- • A proven team: Forger 114 projects, totaling \$340 million over 20 years
- • Demonstrated competence at design – build with over 40 projects in Nevada
- • Local construction offices with twenty-eight years of successful experience in southern Nevada

8. Information Only – Presentation by Thomas and Mack Company – (Continued)

- • Established performance on higher education, schedule-sensitive and sustainable design campus projects
- • Local design offices with sixty years of successful experience in Southern Nevada

Mr. Thomas stated the team approach was critical to achieve speed and cost efficiency lacking in public projects. His company chose to work with JMA Architecture and Martin Harris for their ability to work with the Public Works Board. Mr. Thomas reviewed the timeline and explained that by using the design-build program, along with the permitting process, accounting, financing expertise and oversight of Thomas & Mack, the timeline has been reduced to 14 months from an average of 30 months. All fees are open for scrutiny by project managers to prove that the team is providing a market competitive project. built to Public Works specifications and subject to inspections. He added that all sub trades in projects are competitively bid and open to inspection.

LEASE OPTIONS

Ground Lease

Parties: Board of Regents to Thomas & Mack

Area Included: Pad under building

Building Lease

Parties: Thomas & Mack to Board of Regents

Building Included: Completed building plus sublease on pad land

Term: 40 years with purchase options

Buyout Option

Right By: Board of Regents

When: Every four (4) years

Calculated Values: Unamortized improvements and fair rate of return to developer

SUMMARY

- • An innovative developer/architect/contractor “team approach”
- • Extensive track record in designing and building functional and cost efficient educational facilities
- • Proven financial strength and capital market experience with the capacity to deliver \$100 million in facilities annually
- • A local team with over 135 years of combined company experience in building Las Vegas
- • Our team would consider it an honor to participate in the future success of the Nevada System of Higher Education

The Thomas & Mack Company recommended seeking public funding for several public buildings at the same time rather than a building-by-building basis. Mr. Thomas stated they were trying to create a template for the future and were hoping

8. Information Only – Presentation by Thomas and Mack Company – (Continued)

that a process could be created that would last beyond current building considerations and become a resource for building campuses. Mr. Thomas thanked the Board for the time to make the presentation.

Regent Alden felt it was important to have a local architect and contractor. Regent Sisolak asked for clarification of the 14-month timeline. Mr. Thomas answered it was a benefit of having the architect and contractor in place with overlapping functions. It will not be a “spec” building as they will know who the tenant is and the building would be designed with the tenant. Regent Sisolak stated planning and construction would overlap by two months. Mr. Thomas replied planning could continue after the start of construction. He related that his company

welcomed change orders from tenants but not from the contractor.

9. Information Only-Presentation by American Nevada Company - The American Nevada Company made a presentation to the Board on its privatized development and financing program and how it may serve the educational facility needs of NSHE (*Ref. D on file in the Board office*).

Mr. Brian Greenspun, American Nevada Company, thanked the Board for the opportunity and time to make a presentation. His experience was as part of a family that had a vision and tried to act on the vision. By acting on a vision, they learned how to build, dream and look out 10-20 years. He felt this was about encouraging the Board to step up and take advantage of a new opportunity for public/private partnerships and look at other mechanisms that are available. He previously planned a private/public partnership for the Greenspun Building at UNLV but was stopped by the process. The System's list of priorities/needs could be funded by asking community members to build and finance buildings. He continued that the public/private partnership was a great opportunity to fill the need. He introduced Mr. John Kilduff of American Nevada.

Mr. Kilduff stated the presentation would be in two parts: partnership and future vision for campuses in the state. When given this assignment they tried to find the best talent in the country to respond to the request.

TEAM CREDENTIALS

American Nevada Company

➤ • Since 1974 the developer of master planned communities, office parks, retail centers, multi-family housing and the first mixed use urban village in the Las Vegas valley

RVI

➤ • Community design, land planning, landscape architecture
➤ • Experience in the Las Vegas valley – Anthem, Summerlin, Aliante, Coyote Springs

9. Information Only-Presentation by American Nevada Company – (*Continued*)

JJR

➤ • Campus planning specialists
➤ • Experience on over 180 campuses worldwide

JP MORGAN

➤ • Second largest banking franchise in the United States
➤ • Extensive portfolio of transactions with higher education and cultural institutions across the entire spectrum of sizes and credit ratings

Brownstein, Hyatt, Farber, P.C.

➤ • Significant experience in structuring, negotiating and documenting public/private partnerships representing developers, public entities and lenders

Mr. Killduff introduced Mr. Ken Kerznar, Managing Director of JP Morgan. Mr. Kerznar stated there had been an exponential increase in public/private partnerships.

PROJECT FINANCING

Project Financing Through Foundation or Separate 501(c) (3) Owner of Convenience

➤ • Secured by project revenue
➤ • 501(c)(3) serves as conduit for financing purposes
➤ • 501(c)(3) finances tax exempt through a municipal conduit
➤ • Transaction can be structured as “arm's length”/non-university obligation

CHARACTERISTICS OF PRIVATIZED FINANCING

Advantages

- • Expedite process; design, bidding, legislative and legal approvals
- • Expanded opportunities for partnerships between the university, the public, and the private sector
- • Cost efficiencies; saving time from conception to completion
- • Off balance sheet potential

Disadvantages

- • Higher debt cost related to greater distance between university funding and sources of repayment
- • Contraction of revenue sources creates necessity for one or more reserve funds
- • Projects are often deemed to be “off balance sheet” but “on credit”

Mr. Kerzner explained that the System would be removed from the project. All financing would be around the foundation or not-for-profit structure. He was excited about the unique opportunity to form a partnership with the university and

9. Information Only-Presentation by American Nevada Company – (Continued)

the community, the corporate community, public and potential donor base and determine which projects would be done through partnerships. Mr. Steve Troost, JJR, stated when American Nevada looked at opportunities, they asked “What is the campus of the future?” The value of master planning is important and fundamental. It will create synergistic adjacencies, optimize valuable resources and establish capital priorities.

CREATE CAMPUSES THAT

- • Partner and integrate with community
- • Engage students, faculty, staff and community
- • Create a unique sense of place
- • Reflect institutional distinctiveness
- • Support an intellectual community
- • Project a sophisticated and timeless image
- • Reinforce a dynamic learning environment

FUNDAMENTAL PLANNING PRINCIPLES

- • Complete communities
- • Placemaking
- • Discernable center
- • Mobility
- • Environmental sustainability
- • Quality of life

CAMPUSES OF THE FUTURE

- • Generational consumerism
- • Institutional distinctiveness
- • Resource sharing
- • Community engagement

Regent Alden asked that a copy of the presentation be provided to Regents. Regent Anthony asked if legislative approval was required to begin these partnerships. Chancellor Rogers replied the System has permission for three major projects which will be determined. He felt that by the time those projects began, the next legislative session would grant additional projects. He did not believe the legislature would be an impediment. Chancellor Rogers expressed his appreciation to the groups for making their presentations.

Regent Sisolak asked whether the projects would be started soon enough so there will be a track record for the next legislative session. Chancellor Rogers responded yes.

10. Information Only-Nevada Health Sciences/School of Medicine - Chancellor James E. Rogers provided a status report on the academic medical center. The report included a review of all aspects of this project, including but not limited to: the history of the project, review of the meetings held with interested parties, future planning and challenges faced. There was an update on the MOU between the University of Nevada, Las Vegas and the University of Nevada, Reno for a joint Health Sciences Program in Las Vegas and its implications, if any, to the academic medical center. Appropriations from the 73rd Nevada Legislative Session were also reviewed.

Chancellor Rogers explained he would provide an outline of a proposal from the University of Pittsburgh medical center to develop an academic medical center in Nevada. He noted that Pittsburgh has gone from 700,000 to 300,000 people in the last 10-15 years. He continued that the University of Pittsburgh medical school is separate from the academic medical center. The University of Pittsburgh medical center owns 19 hospitals. Chancellor Rogers stated that across the country, the ratio between private and public hospitals is 90% publicly owned and 10% privately owned. Las Vegas is an exception as 90% of the hospitals are privately owned and 10% are publicly owned. In his view, the most important thing to the System is the development of the medical school. In the development of the medical school, there will be no effort to move the school to Las Vegas. As the school develops, it will need to join with the health science programs at UNLV to develop a joint venture to make a great medical school. A fallout may be the development of an academic medical center. He has tried to leverage contacts with the Pittsburgh Medical School as they have suggested they would come to Las Vegas and build or operate an academic medical center. The Pittsburgh Medical School could build the center without the System. As the hospitals in Las Vegas have looked at the University of Pittsburgh, they have seen a threat to their profit. Several hospitals approached Chancellor Rogers for the opportunity to show what they could provide in lieu of the University of Pittsburgh and a proposal was presented. He suggested that if the hospitals were putting up money, the doctors would also contribute to the medical school. He noted that the hospitals were not suggesting that they would contribute funds for an academic medical center. Hospitals would contribute funds to expand the role of the medical school. Chancellor Rogers has been having discussions with doctors and suggested they should contribute. The hospital association will have their proposal ready on October 11. He had a meeting with the county and it was suggested that there could be property on Shadow Lane that could be transferred to the System. Chancellor Rogers did not think the 15 acres downtown would be adequate. This will affect the future of Southern Nevada and he wanted to ensure they are not thinking for the short term. They need to ensure that if an academic medical center is built it is one of the best in the world.

Chancellor Rogers introduced Dr. John McDonald, Dean of the University of Nevada School of Medicine.

10. Information Only-Nevada Health Science/School of Medicine – *(Continued)*

THE UNIVERSITY OF NEVADA SCHOOL OF MEDICINE'S ROLE IN FURTHERING HEALTH CARE FOR NEVADA

Our Missions

1. Increase the number and diversity of health care providers in Nevada
2. Train the work force for the health care system of the future
3. Expand biomedical and biotechnology research and development within the state
4. Become a health care information resource for Nevada, providing stake holders and policy makers with the accurate and timely information they need to make decisions about resource allocation

The Medical School depends upon clinical revenue

- • Three dollars of four come from clinical activities, grants and contracts

Dean McDonald explained that affiliate hospitals provide the environment to attract the best faculty and staff who are committed to education. The School of Medicine has a world-class plastic and reconstructive surgery department.

Critical role of affiliate hospitals in medical education

- ▪ Postgraduate (residency training post-MD) is hospital based
- ▪ Students learn essentials of caring for acutely patients
- ▪ Learn indications for and limitations of complex and invasive procedures
- ▪ Learn to work in multidisciplinary teams in a complex and demanding environment
- ▪ Attract the very best faculty and staff committed to education
- ▪ Provide a locus for cutting-edge clinical care, clinical trials and translational research

An effective school of medicine-hospital partnership requires...

- ▪ Commitment to education, highest quality patient care and research
- ▪ Shared leadership model, with medical school faculty integrated into key hospital operations

What defines an effective school of medicine-hospital partnership

- ▪ Mutual interdependence
- ▪ Non-profit business model with a data driven, open and transparent business model and gain sharing

Dean McDonald stated the average length of stay for the five busiest physicians that work for the School of Medicine at University Medical Center is 2.9 days shorter than private physicians working in that hospital. The county is paying for unnecessary care at University Medical Center if the data are correct. With the right team, the length of stay could be reduced, costs reduced and more patients cared for in the same length of time.

10. Information Only-Nevada Health Science/School of Medicine – (Continued)

Regent Whipple left the meeting.

Mutual interdependence

- ▪ Hospital sees a community need for a clinical program – e.g., integrated center for cardiovascular care
- ▪ Medical school given first opportunity to respond, as long as consistent with medical education and community needs and revenue neutral
- ▪ Medical school requires a specific program for educational purposes
- ▪ Hospital partners to create a new program, as long as revenue neutral

A rose is a rose...

- ▪ Academic Medical Center = A center with integrated patient care, education, and research in an owned or closely affiliated hospital partner
- ▪ University of Nevada Health Sciences Center – combines clinical, educational and research programs – UNSOM, UNR, UNLV

Regent Leavitt left the meeting.

Dean McDonald stated the System needs to confront this issue. Plans and documents were created in the past and if the System does not do it this time, there will be no credibility left. Doctors are sceptical about the ability to deliver. The private sector has moved in to fill voids.

The stakes are high

- ▪ The School of Medicine has the opportunity and desire to step up to the challenge of becoming a leader in medical education, health care and research in Nevada
- ▪ Failure to deliver will destroy our credibility and reputation in southern Nevada
- ▪ Private entites are rapidly filling this vacuum

The University of Nevada School of Medicine's role in further health care for Nevada – THE TIME HAS COME

Regent Gallagher observed that the presentation discussed affiliation with a hospital and wondered if it could be more than one. Dean McDonald responded that the affiliation could be with more than one hospital, however, partnering with 3-5 hospitals would take some time to grow the programs. He hoped the Board would respect

the principles articulated. Regent Gallagher asked if the System would own a hospital under the affiliation. Dean McDonald answered no, he did not think the System wanted to own a hospital.

Vice Chancellor Klaich followed up that consideration of the players is critical especially due to the commitment and support from Presidents Harter and Lilley. He noted Chancellor Rogers has indicated this will be a partnership in the System, integrated in its programmatic offerings and broad based and a community asset.

10. Information Only-Nevada Health Science/School of Medicine – (Continued)

Vice Chancellor Klaich continued that the Nevada Cancer Institute is open with private money, the Larry Ruvo Keep the Memory Alive Foundation is open with private money and the Whittemore Chronic Fatigue Center will also open with private funding. The System has been courted by the University of Pittsburgh. He believed a decision needed to be made quickly whether the System wanted to move into the market or abdicate the market. The legislature provided \$5.5 million in planning money for an academic medical center and a transplant center. There are also leaders willing to help make it happen with the Board's direction, consent and advice.

Regent Derby stated the partnership model discussed the need for a nonprofit hospital that was supportive of training physicians. She asked how that would come together to meet the needs of the medical school when 90% are for profit. Dean McDonald replied the offer by the Nevada Hospital Association was welcome and they are primarily for profit. He did not mean the hospital could only be nonprofit. There are examples of for profit hospitals running academic medical centers, however, the relationship is not as seamless or transparent as with a controlled affiliated hospital. What is essential is a commitment of hospital leadership to integrate the School of Medicine. The school primarily functions as laborers as doctors are paid on contract and provide a majority of care for indigent patients. He felt it was essential to move to the next step and step up to the challenge.

Regent Wixom left the meeting.

Regent Dondero asked if the county had been approached to see what part they wanted to play. Chancellor Rogers replied he had and they would help in any way. They are currently looking for additional property in the Shadow Lane area. Regent Dondero asked if the county was willing to assist with more than land. Chancellor Rogers answered it was premature to talk about money at this time. Regent Dondero stated a commitment was important. Chancellor Rogers responded the commitment is there. Many people are needed to become partners and move forward with the academic medical center. This is the beginning of the planning stage.

Regent Alden moved to authorize the Chancellor to move forward concerning planning and negotiations of the academic medical center with final proposal approval by the Board.

Regent Wixom entered the meeting.

Regent Gallagher felt the Chancellor had already been given permission to move forward with negotiations.

10. Information Only-Nevada Health Science/School of Medicine – (Continued)

Regent Alden withdrew his motion.

Regent Sisolak expressed his appreciation that everyone was moving forward with this project. Regent Rosenberg asked when item 38 (*Hospital Representatives Proposal Regarding Support of the UNSOM*) would be heard. Chancellor Rogers replied item 38 had been withdrawn. Regent Gallagher acknowledged Dr. Ronald Kline. Dr. Kline, President of the Clark County Medical Society, stated the Clark County Medical Society had been involved in the academic medical center issue. The academic medical center combines cutting edge clinical care, medical education and research, and no one has proposed all three. He has been practicing since 1993. He noted that physicians oppose the University of Pittsburgh Medical Center. Most physicians in Clark County are general internists and surgeons, and will not have their pocketbooks affected. The opposition concerns taking pride in the community and the medical community. He thought if the University of Pittsburgh came to Nevada, it will devalue the medical community and the medical school. Once there is a school of medicine foundation, there will be contributions from physicians. Vice Chancellor Klaich commented the presidents have dedicated

staff to the project and that is a measure of the importance of the academic medical center. Regent Gallagher expressed her appreciation for the work done by the Chancellor, but felt the System needed to start talking to the people of Nevada about the plan for an academic medical center.

11. Approved-Appointment of Secretary to the Board and Approval of Contract- The Board considered and made a decision regarding the appointment of Interim Clerk of the Board, Fini S. Dobyms, to be the permanent Secretary to the Board. The Board also considered and made a decision regarding the Secretary to the Board employment terms and conditions presented at the meeting (*Ref. E on file in the Board office*).

Regent Alden moved approval of the appointment of the Secretary to the Board and approval of the contract. Regent Rosenberg seconded.

Regent Sisolak noted a point of order. Vice Chancellor Klaich stated that in order to make this appointment, the Board would have to make a motion to suspend their Bylaws which needed approval by a super majority.

Regent Alden moved suspension of the Bylaws. Regent Rosenberg seconded. Motion carried. Regents Howard, Leavitt and Whipple were absent.

11. Approved-Appointment of Secretary to the Board and Approval of Contract-
(Continued)

Regent Alden moved approval of the appointment of the Secretary to the Board and approval of the contract. Regent Rosenberg seconded.

Regent Leavitt entered the meeting.

Vice Chancellor Klaich informed the Board that discussions had been held between the Chair, Vice Chair and Mrs. Dobyms with respect to the contract. The annual salary will be \$75,000. A one year contract and retention of her currently vested rights regarding notice of reappointment of one year was recommended. He noted there were no other special provisions.

Motion carried. Regents Howard and Whipple were absent.

12. Approved-Employment Contract Head Men's Tennis Coach, UNLV – The Board approved President Carol C. Harter's request for approval of a new, two year employment contract for Head Men's Tennis Coach, Owen Hambrook. This contract will begin on July 1, 2005 and end on June 30, 2007. The terms of the new agreement was presented at the meeting (*Ref. G on file in the Board office*).

13. Approved-Employment Contract Head Softball Coach, UNLV – The Board approved President Carol C. Harter's request for approval of a new, three year employment contract for Head Softball Coach, Alana Maree Alameda. This contract will begin on July 1, 2005 and end on June 30, 2008. The terms of the new agreement was presented at the meeting (*Ref. H on file in the Board office*).

14. Approved-Employment Contract Head Baseball Coach, UNLV – The Board approved President Carol C. Harter's request for approval of a new, two year employment contract for head baseball coach, Buddy Gouldsmith. This contract will begin on July 1, 2005 and end on June 30, 2007. The terms of the new agreement was presented at the meeting (*Ref. I on file in the Board office*).

15. Approved-Employment Contract Head Basketball Coach, UNLV – The Board approved President Carol C. Harter's request for approval of a new employment contract for Head Basketball Coach Lon Kruger. This contract will begin on April 1, 2005 and end on March 31, 2010. The terms of the new agreement was presented at the meeting (*Ref. J on file in the Board office*).

Regent Alden moved approval of items 12-15 with the codicil that all are budgeted, there is full disclosure and no supplemental contracts.

12-15. Approved-Employment Contracts, UNLV – (Continued)

Regent Sisolak noted a point of order. President Harter replied these contracts were for supplemental compensation within the contract.

Regent Sisolak seconded. Motion carried. Regents Howard and Whipple were absent.

16. Approved-Supplemental Presidential Compensation, DRI – The Board approved Chancellor James E. Rogers' request for approval for the DRI Research Foundation to provide funding to the NSHE to supplement the compensation provided to President Stephen G. Wells in his role as president of DRI (Ref. F on file in the Board office).

Chancellor Rogers stated he has strong feelings regarding compensation for the presidents and has lobbied for supplemental pay for presidents. He wrote a letter to the DRI Foundation suggesting they supplement President Wells' salary by \$22,000 per year. The foundation agreed, and the agreement is the same as that of Presidents Harter and Lilley.

Regent Hill moved approval of the supplemental presidential compensation for President Stephen G. Wells. Regent Anthony seconded.

Regent Rosenberg commented that he was in full favor as President Wells is a superstar. He could not support the motion as salaries are not appropriate for part-time teachers, letters of appointment, and adjunct professors and he wished consideration could be given to them.

Motion carried. Regent Rosenberg voted no. Regents Howard and Whipple were absent.

Regent Alden left the meeting.

17. Approved-Commercial Banking Services Contract – The Board approved Ms. Kathleen Payne's, Director of Banking and Investments, request for approval of Bank of America to provide commercial banking services to NSHE beginning January 1, 2006 (Ref. L on file in the Board office).

Kathleen Payne, Director of Banking & Investments, asked for approval of a new banking contract. She noted an RFP had been done for banking services, credit card services, a purchasing card and a travel card, which was sent to 44 companies with 6 responses received. It was hoped that by combining services better pricing could be obtained, however, each service was priced separately and there was no benefit to a multiple contract. The RFPs were reviewed by Ms. Payne and all

17. Approved-Commercial Banking Services Contract – (Continued)

campus controller's offices. Ms. Payne recommended approval of a contract with Bank of America for 5 years, with 2 two-year extensions. She explained the reasoning for choosing Bank of America included: 1: the cost of services is one-third of that currently being paid; 2: a signing bonus of \$100,000 to be applied to monthly fees which will provide approximately one year of free services; 3: the technology, banking services, web services and capabilities were impressive.

Regent Dondero moved approval of the commercial banking services contract. Regent Derby seconded.

Regent Sisolak asked for a dollar amount of the fees. Ms. Payne replied the committee had the same reaction and wanted to make sure it was not a misunderstanding. The System's fee for April 2005, under the current contract was \$35,000, while Bank of America would have been \$11,000. She noted that January and August would have higher volume and higher fees due to funds received for tuition and fees. Regent Sisolak expressed his concern that it seems too good to be true. Ms. Payne stated she had requested clarification of the fees from

Bank of America. Regent Sisolak asked if Wells Fargo was contacted to determine how this could happen to ensure nothing was being missed. Ms. Payne answered no. Regent Sisolak asked Vice Chancellor Klaich to review the contract. Regent Dondero mentioned she had called and asked about the contract. Ms. Payne stated her office, and every institution, had reviewed the pricing and performed the evaluations.

Regent Wixom stated he had represented Bank of America in the past and would abstain from the vote.

Regent Rosenberg asked what options were available to terminate the contract. Ms. Payne responded the RFP would be part of the contract. Regent Rosenberg remembered that the System once contracted with Bank of America and the service was poor. He wondered if the contract could be terminated if the service was not adequate. Ms. Payne replied a lack of service would be a contract issue. She continued that the System left Bank of America because of services not being provided. The committee conducted reference checks for Bank of America and the representative that would be assigned the System's account and they were excellent. Regent Rosenberg asked if the reason for the recommendation was due to the amount being saved, not dissatisfaction with Wells Fargo. Ms. Payne responded the money was a factor, but the committee felt comfortable with the services to be provided, technology, web system and banking system. She continued that savings for lousy service would not be beneficial. Regent Derby assumed there was a good process used to come forth with this recommendation. Ms. Payne replied the committee wrote the RFP and all campuses participated. Regent Leavitt commented this may not be the greatest deal it may be that just the other one was bad. Regent Sisolak stated Bank of America charges, against the

17. Approved-Commercial Banking Services Contract – (Continued)

earnings credit, for deposits, stop payments, etc. and asked if the System had the same arrangement with Wells Fargo. Ms. Payne answered Wells Fargo does not provide an earnings credit but pays interest to the System. Regent Sisolak asked where the 2/3 reduction came from. Ms. Payne replied the savings would come from the actual cost of individual line items. Regent Sisolak expressed his concern that the System would not be able to get out of the contract. Regent Gallagher asked if the legal department had reviewed the contract. Ms. Payne responded they had not. When Regent Gallagher asked when the contract with Wells Fargo would end, Ms. Payne answered December 31, 2005.

Regent Gallagher asked the Board to table this item until the legal department had reviewed the contract. Vice Chancellor Klaich cautioned that for the Board to hear comments from the Wells Fargo representative, a motion to table is non-debatable and must be voted on immediately.

Ms. Payne mentioned the Wells Fargo contract ends December 31, and if approval of a new contract was delayed to another meeting, it would be difficult to go through conversion before December 31 and approval would be needed to extend the contract with Wells Fargo.

Regent Sisolak noted a point of order that extending the current contract was not on the agenda.

Ms. Debbie Fuetsch, Vice President, Relationship Manager for Wells Fargo, thanked the Board for allowing Wells Fargo the opportunity to be the System's banking services provider. She felt Wells Fargo had provided cutting edge products and customer service. She stated the selection committee did an excellent job reviewing the RFPs and appreciated the time and efforts. Wells Fargo does not want to lose a customer. Ms. Fuetsch commented that the System did not receive an earnings credit because the credit sweep was elected to earn more dollars. Wells Fargo competes with Bank of America every day, but their bid is lower than Wells Fargo's costs. She wanted to understand how that could be. A \$100,000 bonus is good, but Wells Fargo compensates the System in other ways. She wondered if the bonus would cover transition costs. Ms. Fuetsch stated the 1/3 pricing was a mystery to them and she could not do business that way as a share holder. She asked to have more of a conversation with Ms. Payne. She noted that Wells Fargo is the only AAA rated bank in the nation.

Regent Sisolak asked if a bank could do this as a loss leader. Ms. Fuetsch answered a bank could cut their fees but it would be difficult to visit campuses. She continued that Wells Fargo did not understand it and wanted clarification.

Regent Gallagher stated she was uncomfortable approving the contract without having the legal department review it.

Regent Dondero withdrew her motion.

17. Approved-Commercial Banking Services Contract – (Continued)

Regent Gallagher asked to delay the item until the following day so that Vice Chancellor Klaich could review the contract. Regent Derby asked if Bank of America representatives could be in attendance to answer questions. Ms. Payne answered she would handle that.

The meeting recessed at 5:25 p.m. and reconvened at 7:40 a.m., Friday, September 23, 2005 with all members present with the exception of Regents Leavitt, Schofield and Sisolak.

18. Information Only-Personnel Session, President Richard Carpenter – The Board conducted a personnel session concerning CCSN President Richard Carpenter.

Regent Whipple asked President Carpenter his thoughts on moving into a closed session. President Carpenter stated he would be comfortable conducting the evaluation in an open session.

Regent Schofield entered the meeting.

Chancellor Rogers stated there were several good candidates when the search was conducted and President Carpenter was hired. He and President Carpenter have met many times and progress is being made.

Regent Sisolak entered the meeting.

Chancellor Rogers continued that when President Carpenter was being hired, other presidents were being hired and contracts were being renewed and renegotiated. He felt that President Carpenter had done an excellent job in a difficult situation. Chancellor Rogers stated the System is attacked by the press regarding the question of the average salaries of presidents and chancellors across the country. His response is that there is nothing average about this System.

Regent Leavitt entered the meeting.

Chancellor Rogers felt if the facilities were available, CCSN would be at 60,000 students. He thought President Carpenter was worth the money and had earned his salary multiple times. Chancellor Rogers recommended President Carpenter's contract be modified to increase his salary \$20,000 per year and performance conditions be added. The contract would not be extended. He expressed his pleasure at the job President Carpenter has done.

Regent Alden felt that when someone has done a good job, they deserve to be compensated and thanked. He continued that CCSN is diverse, with a huge mission. He stated that President Carpenter came to the System with a wealth of experience and we are fortunate that he is the president of CCSN. He thanked President Carpenter. Regent Derby also thanked President Carpenter. She had

18. Information Only-Personnel Session, President Richard Carpenter –(Continued)

confidence in him when he arrived and that has grown. CCSN is a critical institution in the state and serves so many in the community. She stated President Carpenter was making great progress and the Board was very proud of him. Regent Dondero said President Carpenter has done a tremendous job. She noted there was a large number of people in the audience for CCSN's convocations and remarks she heard indicated they were pleased. She thanked President Carpenter. Regent Leavitt echoed the sentiments and stated he has been a supporter of raising standards. He noted there was an editorial in the *Las Vegas Review Journal* criticizing President Carpenter for accountability, measurement and progress. Regent Leavitt asked President Carpenter to keep doing what he has been doing. He continued that presidents are not paid enough and noted the Board wanted to retain

President Carpenter and pay what the market dictates. He stated that President Carpenter had been accessible to all Regents.

Regent Sisolak thanked President Carpenter for coming in at a time when the turbulence was immense at CCSN. Suffering by students, staff and faculty was unfortunate and unwanted. Under President Carpenter's leadership the institution has gotten onto smooth sailing and good seas and the future is bright. He expressed appreciation to President Carpenter and what he has done for students. Regent Hill congratulated President Carpenter. Regent Schofield expressed his gratitude for President Carpenter's courage and fortitude to get to the bottom of things at the school. Regent Schofield stated President Carpenter has the support of Regents. Regent Howard said that President Carpenter came into an institution that was broken and is now in the healing process. She expressed her appreciation for what President Carpenter is doing for students, faculty and staff.

Regent Rosenberg stated he has a history of not voting for raises, however, in this case, he will vote for the raise. He felt President Carpenter has done a wonderful job.

President Carpenter stated much of what was said about CCSN is true. He noted the spirit was not broken and no one could have done much had that happened. There are many good, dedicated and hardworking people at the college, who are wonderful to work with, and care about students. He has focus groups with students who say that faculty care. What is important is what happens in the teaching/learning process. He thanked the Regents for the vote of confidence. He said that if the Chancellor and Board do not stand behind him it would be impossible to make tough calls. President Carpenter thought the campus is moving in a good direction. He felt comfortable and good about his first year, and was most appreciative of the support given, which made his first year a success. Regent Whipple expressed his appreciation to President Carpenter and noted there were high expectations which have been met.

19. Approved-Presidential Contract, CCSN - The Board considered and made a decision regarding the employment terms and conditions for CCSN President Richard Carpenter.

Regent Anthony moved approval of the contract for CCSN President Richard Carpenter. Regent Sisolak seconded. Upon a roll call vote, the motion carried unanimously.

20. Information Only-Handbook Revision, Clarification of Code, Chapter 5, Regarding Notices of Nonreappointment/Termination – Vice Chancellor Daniel Klaich provided clarification language to Chapter 5 of the NSHE Code. This is a change to the Code and requires two hearings. Final action will be taken at the December 2005 meeting (*Ref. N on file in the Board office*).

Vice Chancellor Klaich informed the Board that the effective date for provision of notice of nonreappointment in the policy passed two meetings ago had been omitted.

21. Information Only-Handbook Revision, Applicability of Code, Title 2, Chapter 5, Section 5.6.2 to Letters of Appointment - Vice Chancellor Daniel Klaich provided information of a change in the NSHE Code to ensure that the provisions of Title 2, Chapter 5, Section 5.6.2, regarding confidentiality of personnel and payroll files apply to employees on a Letter of Appointment. This was the first hearing of a change to the Code and final action will be taken at the December 2005 meeting (*Ref. Q on file in the Board office*).

Vice Chancellor Klaich stated items 21 and 22 were similar because the System operates in an open meeting law and public records state, but there are certain exemptions. Exemptions are available to System employees. Confidential personnel and payroll items needed to include letters of appointment so the employees would have the same protection that others enjoy. Regent Sisolak asked whether letters of appointment were being provided more or less confidentiality. Vice Chancellor Klaich responded more, they are currently not included in policies for confidentiality. Regent Sisolak asked about roster information being made public. Vice Chancellor Klaich answered roster information is public, will remain public and is provided when requested.

22. Approved-Handbook Revision, Confidentiality of Employment Application Materials – The Board approved Vice Chancellor Daniel Klaich’s request for a change in the NSHE Code (*Title 2, Chapter 5, new Section 5.6.3*) to ensure that the application materials for professional positions remain confidential. This was the second hearing of a change to the Code (*Ref. P on file in the Board office*).

Vice Chancellor Klaich informed the Board that all applications in an applicant pool are not considered public documents. He noted the Board had discussed

22. Approved-Handbook Revision, Confidentiality of Employment Application Materials – (*Continued*)

this issue before. His office has talked to the Attorney General’s Office and confirmed this is consistent with their definition of the public records law and an appropriate exercise of the Board’s discretion to keep application materials private. Mrs. Carla Henson, Director of Human Resources requested that “also releasable upon written authorization of the employee” be added to 5.6.3. Regent Whipple asked if this was new language to be added. Mrs. Henson answered the language mirrored 5.6.2 and added the employee’s authorization.

Regent Alden moved approval of the Handbook revision regarding the confidentiality of employment application materials with recommended changes. Regent Rosenberg seconded.

Regent Sisolak asked for a specific example and what type of position this would affect. Vice Chancellor Klaich replied if his position became vacant, the search committee would screen the applicants and pick 5 individuals for interviews. The applications of the other applicants would not be subject to public records requests. Regent Sisolak asked if this would accomplish the same thing done with a search committee not revealing names. Vice Chancellor Klaich answered that was correct. Presidential and Chancellor level search committees have hired search consultants to handle applicant confidentiality. Regent Sisolak asked if it was fair that people would not be able to look at who applied for the job. Vice Chancellor Klaich responded that was an appropriate argument against the policy. He continued there is oversight in every search process and the desire to have the names out there is a valid argument. Under this Handbook revision, the top candidates’ names would be public. Vice Chancellor Klaich thought it was appropriate for the Board’s consideration and he recommended approval. Regent Sisolak asked if the System could be hurt without oversight. Vice Chancellor Klaich replied there is oversight at the higher levels of administration. At lower levels, the Board relies on the search committees and the campuses. He stated this was a privacy matter.

Regent Hill commented positions have two categories of applicants: those that apply for everything and those that are serious applicants. He thought this revision would create a better situation. Regent Rosenberg stated a department could not afford to have the names made public as people would not apply for the position. He supported this revision for professional positions in the System. Regent Gallagher noted employment would be jeopardized for applicants as it could appear as if they are looking. Vice Chancellor Klaich pointed out the policy was modeled after the Nevada Administrative Code for other state employees. It is possible to rely on the provisions in the NAC to arrive at the same result as the revision. It was felt that it was more proper for the Board to have a policy. Regent Sisolak asked if other systems have a similar policy. Vice Chancellor Klaich responded he did not know. Regent Sisolak asked how an eliminated

22. Approved-Handbook Revision, Confidentiality of Employment Application Materials – (*Continued*)

applicant would know if there was discrimination without a court order. Vice Chancellor Klaich answered if an applicant felt there was discrimination, there were no limitations to filing a complaint in the policy. However, the applicant would not be able to get into the pool to see what the breakdown was. Regent Sisolak asked how discrimination could be determined without seeing the list. Vice Chancellor Klaich replied applicants would not under this policy. He thought discrimination tends to be known by those applying. Regent Howard stated in the past she had been in similar situations of wanting to know who the candidates were and was able to obtain the ethnicities and sex of candidates without the names. She thought that would still be possible with this policy. Vice Chancellor Klaich agreed there was nothing in the policy that precludes providing ethnic and gender information. He noted it would be interesting to see how the request was made so statistical information could be provided. He thought it would have to come from the Board, president or human resource directors to do

follow up on the searches. He believed the information would be denied to citizens. Regent Howard did not think that was appropriate. She stated there was a situation with a search being started over because the pool was unfair. Vice Chancellor Klaich understood, but there comes a point where you need to look at those running the searches. He noted that all campuses have affirmative action offices who ensure the appropriate make up of the committee and pool. Mrs. Henson commented ethnic and gender data is on a volunteer basis and the return varies in each search. She explained that this information cannot be required by federal law. Regent Howard felt that the public should be allowed to have access to gender and ethnic information. Vice Chancellor Klaich stated the application, in its entirety, is confidential and no abstracts of data would be publicly available. Regent Howard asked if a citizen could not obtain the ethnic make up of the pool. Vice Chancellor Klaich replied that was correct.

Regent Derby thought Regents Sisolak and Howard brought up good points. However, on the other hand, she wanted to be able to attract the best pool of candidates. She felt the lack of confidentiality has an effect on who applied for positions. She was reassured that there is a built in process for the searches by having affirmative action officers involved in the process. She asked how much assurance affirmative action brings. Mrs. Henson answered a pool could not be made up, it is comprised by who applies. Affirmative action officers make sure the search is done fairly and equitably. She continued that the ethnicity and gender information do not go back to the search committee. Regent Sisolak did not understand why statistical information could not be released. He thought there could be three or four searches where white males were hired and it would not be possible to show that there were not any ethnic applicants. Vice Chancellor Klaich felt this was a valid policy discussion. He continued this was not about whether the data existed but about random access to the data by those who do not have a legitimate interest in it. The question was valuing the confidentiality and quality of the pool and the right of the public to know. He felt if there was a

22. Approved-Handbook Revision, Confidentiality of Employment Application Materials – *(Continued)*

skewed process it would show up in the process and results of the search. Regent Sisolak did not want to have shots taken. Ms. Brooke Nielsen mentioned she was asked to address this issue. Ms. Nielsen stated information about the make up of a pool is provided when requested separately from the identity of the individuals. This policy will put into the Code what is currently done by the System and the State of Nevada. It was felt the System should follow the same process as the State. Vice Chancellor Klaich asked if a private citizen requested the information would it be provided. Ms. Nielsen believed the statistical information would be provided without names. Chancellor Rogers added if there is no statutory provision prohibiting giving out information, it will be provided. Ms. Nielsen stated the System needed to be careful to not give out personal information. Regent Rosenberg stated in his personal experience, affirmative action has returned searches to get a more diverse pool. Institutions make conscious efforts to ensure that the best possible diversity in the pool is obtained. Regent Derby stated if the content of pool data can be released it ensured diversity. Regent Sisolak expressed his appreciation to the Chancellor and his penchant for openness. He felt everyone should have access to the statistical data. Regent Howard thought it was important to bring policies forward that are thought out and not reactionary.

Motion carried. Regent Hill was absent.

23. Information Only-Handbook Revision, Appointment With Tenure by President - At the June 2005 meeting, an agenda item was requested regarding appointment of academic faculty with tenure upon hire. The proposed amendments to the NSHE Code (*Title 2, Chapters 3, 4, and 7*) would allow a President to grant an academic faculty member tenure upon hire without seeking approval of the Board of Regents. This was the first hearing of a proposed Code change with final action to be taken at the December 2005 meeting (*Ref. Q on file in the Board office*).

Vice Chancellor Klaich stated appointments with tenure come to the Board often and he was bringing forward a policy for discussion. The policy states if the president chooses to hire a person with tenure upon hire and the only limitation is that if the applicant is transitioning from a tenured position to a tenured position in the receiving institution it can be done without approval from the Board and reporting back on the hires. Regent

Leavitt asked if there was a reason that the policy was limited to tenure upon hire. He indicated that he did not believe it was proper for the Board to micromanage tenure decisions. He did not feel qualified to make the decision regarding tenure. Regent Gallagher stated she felt strongly about this for some time, the Board should know what they are voting on and be comfortable with it. She believed voting on tenure was a waste of time and she did not think it was necessary.

Dr. Verburg stated DRI does not have tenure and asked if the process would be different for those moving from DRI to a university. Vice Chancellor Klaich

23. Information Only-Handbook Revision, Appointment With Tenure by President – (Continued)

answered that was correct. The policy would only apply to transfers of tenured individuals. Regent Dondero asked how this would affect the budget. Regent Sisolak replied the fiscal impact for tenure was unknown even when the names come to the Board for approval. He continued that the Board needed to have the confidence in the presidents that they have gone through the process. He did not believe it was appropriate for tenure to come before the Board. Regent Rosenberg disagreed and noted the Board received recommendations from presidents for action and Board members did not know any more about those things. He continued that tenure information is provided in the reference material and the opportunity to find out about the applicants is available. He thought the Board should take the responsibility to act upon it. Regent Sisolak stated he had called campuses but could not get information. Regent Derby noted she had been an advocate that the decisions belong with the presidents. She asked what the practice was around the country by other Boards. Vice Chancellor Nichols replied that institutional boards almost universally approve tenure of the faculty. At the system level it varies widely and there is no universal pattern. Regent Derby assumed presidents were cognizant of the long-term budget impact. She felt it was a question of trusting presidents. Regent Anthony commented that there was no way for him to know if someone deserved tenure without investigation. He asked that this item be brought back and expanded to include all tenure. Regent Wixom wanted to understand the process from the presidents and wondered if it was helpful for them to have the Board involved in the process.

President Harter thought there was a big difference between what is on the agenda and granting initial tenure to a faculty member who goes through the six year process of becoming eligible. Tenure upon hire is often an issue when recruiting a dean or head of a unit who is tenured somewhere else and it is useful to offer hire with tenure. She hoped this would be approved. She thought the other issue was when a faculty member is making themselves eligible for tenure, the processes of review are long in the institution. She thought faculty believed it is appropriate for tenure to come to the Board as a check and balance and feel empowered by having the Board approve it. She hoped for approval of this item. President Killpatrick stated at GBC awarding tenure is taken seriously. Probationary faculty members are assigned a committee to work with and in his three years as president there have been faculty who have had tenure deferred for one year. He thought it was the Board's seal of approval and trust with presidents. Presidents take this seriously but look to the Board to confirm it. Regent Whipple asked if he would like to bring candidates to the Board. President Killpatrick answered yes, but wanted the faculty senate chairs asked as well. President Maryanski pointed out that even appointments with tenure upon hire go through a substantial review process. At NSC if the intent is to offer tenure on hire, it goes to the faculty for voting. He was supportive of not bringing any tenure to the Board. Regent Whipple clarified that President Maryanski did not want to bring tenure to the Board. President Maryanski responded yes. President Lucey stated the

23. Information Only-Handbook Revision, Appointment With Tenure by President – (Continued)

average faculty salary over a career is a \$2 million decision and she felt the Board should make tenure decisions.

Dr. Richards explained that the faculty senate chairs did not have a problem with tenure not coming before the Board as long as there is faculty review. The faculty senate chairs would like to be able to approach the Board to appeal denial of tenure. He noted there was an extensive process in place for tenure. Regent Whipple asked what the position was of the faculty senate chairs. Dr. Richards answered the faculty senate chairs would like the Board to handle appeals of tenure. He did not see why tenure upon hire had to come to the Board. Regent

Wixom appreciated Regent Sisolak's observations and thought the Board could distinguish between tenure upon hire and the tenure process within the university. He thought there was some value to having the Board look at tenure decisions. He asked if there was something that could provide assurance to the Board that those considered for tenure could ask for a review of the process. Dr. Richards replied there is a reconsideration process and grievances can be filed. The report goes to the president who makes the decision, however, that does not replace an appeal to the Board. Regent Wixom asked if the process could be appealed to the Board. Dr. Richards answered he did not know. He did not believe it was necessary for tenure upon hire to come to the Board.

Regent Hill thought the presidents should be able to award tenure on hire, but he wanted the Board to be a safety valve for new tenures. Regent Sisolak expressed his concern that he did not want the Board to be a court of appeals or last resort. He asked, if by approving tenure, would it be possible that an individual or group could come forward and oppose one being granted tenure. Vice Chancellor Klaich answered there were three policy decisions: if the Board wanted to retain awarding tenure, tenure upon hire and whether the policy should include the right of appeal to the Board. He continued that individuals can always come before the Board. He noted that open meeting law notice is given to individuals and they are open to discussion. Regent Leavitt asked that traditional tenure and tenure on hire be brought back as two action items. He noted that if the Board retained authority to grant tenure, he would want to be involved to be comfortable with the process. Regent Derby did not think it was appropriate for the Board to be the court of last appeal. She thought presidents should grant tenure upon hire and she would not consider voting against a president regarding tenure. Regent Schofield liked the safety valve of being the final blessing. President Lilley hoped presidents could have the authority to appoint with tenure upon hire and stated he was not open to having the Regents be a court of appeal for tenure decisions. Regent Howard pointed out that faculty always have the right to make an appeal to the Board.

The meeting recessed at 9:00 a.m. and reconvened at 9:12 a.m. with all members present with the exception of Regents Alden, Anthony and Schofield.

24. Information Only-Strategic Plan, CCSN - President Richard Carpenter presented to the Board of Regents for information CCSN's Strategic Plan (*Ref. Kon file in the Board office*).

President Carpenter stated much had been heard about green buildings and LEED certified facilities, and informed the Board that the new telecom building on the Cheyenne campus of CCSN is a green building.

Regent Anthony entered the meeting.

VISION STRATEGY METRICS 2010

Guiding Premise

Most community college planning models are linear. This is the way we have planned since our inception following WWII. Such models are incapable of facilitating quantum shifts necessary to respond to today's market; rather, they assume the future to be a natural extension of the past. In doing so, they relegate the institution to incremental change, political timidity and performance mediocrity. *Richard Carpenter, CCSN*

VISION 2010

Excels at the National Level

- • Instructional Quality & Innovation
- • Student Support
- • On-line Programs and Services
- • Professional Development
- • Alternative Revenue Generation
- • Leadership, Management & Accountability
- • Capitalizing on Diversity
- • Leadership Development
- • Building Community

Regent Schofield entered the meeting.

STRATEGY 2010

Strategic Planning Focus Groups

- • Cheyenne, Charleston, Henderson
- • Faculty, Staff & Students
- • On-line Campus Surveys
- • Community Focus Groups

Strategic Goals

1. Restoring Public Confidence
 2. Resourcing
 3. Improving Student Success
 4. Enhancing Academic Reputation
 5. Leveraging Economic Development
24. Information Only-Strategic Plan, CCSN – *(Continued)*
6. Building Distributed Learning Enterprise
 7. Capitalizing on Diversity and Multiculturalism
 8. Improving Grantsmanship and Development
 9. Planning the Future
 10. Building Campus Infrastructure

Restoring Public Confidence

1. Restore public confidence in management and operations
2. Establish college-wide performance metrics, standards and expectations
3. Professionalize Human Resources policies, practices and procedures
4. Establish budgetary and pre-audit controls
5. Establish fiscal and transactional transparency
6. Effectuate efficiencies in operations and non-duplication of programs and services

Resourcing

1. Establish long-range revenue & expenditure forecasting
2. Develop alternative revenue streams
3. Establish management growth & cost containment parameters
4. Increase gifts, grants & contracts
5. Establish long-term partnerships with business and industry

Improving Student Success

1. Build early intervention and developmental support systems
2. Integrate academic advising, mentoring & counseling functions
3. Establish longitudinal student tracking systems
4. Link outcomes with student educational attainment and employer career preparation needs
5. Increase access to baccalaureate program completion
6. Initiate outreach to middle schools
7. Expand community college high school program

Enhance Academic Reputation

1. Advance national ranking and recognition
2. Incentivize teaching and learning innovation
3. Attract & retain diverse world-class faculty
4. Establish Center for Academic & Professional Excellence
5. Establish niche programs of excellence and distinction

6. Establish Academic Honors Program
7. Establish outcomes assessment and academic performance and productivity benchmarking

Economic Development

1. Launch new Division of Workforce and Economic Development
 2. Establish new industry-specific advisory boards in support of academic programs
24. Information Only-Strategic Plan, CCSN – *(Continued)*
3. Establish corporate college learning centers at southern Nevada worksites
 4. Establish clearinghouse for linking faculty expertise with emerging business needs
 5. Pursue workforce grants to address customized training needs

On-Line Learning

1. Establish Virtual Learning Enterprise
2. Create student-centered quality standards for on-line program development
3. Establish complete on-line degree and certificate programs
4. Expand media-rich programming
5. Establish on-line student support services
6. Establish technical support center for students
7. Facilitate faculty adoption of technology across the curriculum

Diversity & Multi-Culturalism

1. Globalize CCSN curriculum
2. Internationalize Student life and campus culture
3. Establish new community forums, CCSN outreach & economic empowerment
4. Engage community organizations and civic leaders in the CCSN strategic planning process
5. Engage community organizations in measuring CCSN's institutional performance
6. Empower CCSN's new Director of Diversity as college/system resource

Grants & Development

1. Brand CCSN
2. Engage CCSN alumni
3. Expand grant writing capacity & engage faculty more in grant proposals
4. Pursue academic program endowment
5. Promote Foundation challenge grants
6. Link corporate giving to workforce development

Planning the Future

1. Employ college-wide, systematic, inclusive planning process
2. Delineate institutional performance metrics
3. Centralize & expand institutional performance tracking capacity
4. Establish uniform performance evaluation process
5. Create quality and customer service expectations
6. Re-orient executive and academic decision making (data-driven)

Campus Infrastructure

1. Develop long range academic and physical plant master plans
 2. Establish long range capital financing plan
 3. Establish deferred maintenance funding strategies
24. Information Only-Strategic Plan, CCSN – *(Continued)*
4. Establish risk management policies
 5. Establish partnerships for co-utilization and co-development of campus infrastructure
 6. Expand virtual and physical libraries

METRICS 2010

Benchmark Institutions

Portland Community College Sacramento City College
Maricopa Community College Austin Community College
Tarrant County Community College North Harris Montgomery
Broward Community College Community College
Tidewater Community College Montgomery College
Cuyahoga Community College

Institutional Support (NACUBO Categories)

Peer Tracking, \$ per FTE

- • Instruction
- • Academic Support
- • Student Services
- • Institutional Support
- • Operations & Maintenance

Program Costs (Direct and Indirect)

Peer Tracking, \$ per FTE

- • Limited Entry Programs
- • Developmental Education
- • Technical Programs
- • Workforce Development
- • Others

Student/Faculty Ratios

Peer Tracking Ratios by:

- • Full-Time Faculty
- • Part-Time Faculty
- • Instructional Department
- • Academic Program
- • Campuses/Sites

Student/Administrator Ratios

Administrative FTE per Student Head Count

- • All state funded positions including faculty release time
- • Annual census date of October 15

24. Information Only-Strategic Plan, CCSN – (Continued)

Average Class Size

Average Number of Students by:

- • Course Section
- • Department
- • Academic Division
- • Campus/Site
- • College

Average Class Size (Detail)

Number & Percent of Course Sections With:

- • 1-4 Students
- • 5-9 Students

- • 10-19 Students
- • 20-29 Students
- • 30-49 Students
- • 50+ Students

Faculty Workload

Distribution of Effort (DOE) Linked to NSHE Comparisons:

- • Teaching
- • College/Community Service
- • Academic Advising
- • Professional Development
- • Other

Space Utilization

Expand on NSHE Space Utilization Study:

- • All campuses all sites, analysis of classroom and lab space by room, each hour, each day
- • Library & study space per student, each hour, each day
- • Student Services space per student

Student Persistence

- • IPEDS data for first time degree seeking students
- • All students: fall-to-spring, spring-to-fall, fall-to-fall – by ethnicity & type of program (Gen. Ed., Technical, Developmental)
- • Student intent: degree-seeking, transfer, job-related, personal enrichment

Graduation Rates

- • For all degree-seeking students, track graduation rates and time-to-completion
- By academic program
- By ethnicity

24. Information Only-Strategic Plan, CCSN – (Continued)

Student Goal Attainment

Percent of Students Who Attain Stated Goals:

- • Degree seeking
- • Transfer
- • Job-related
- • Skills improvement
- • Other

Post-Transfer Performance

Sister Institution GPA Compared with Native Students by:

- • Academic Program/Major
- • Ethnicity

Student Access

- • Full-time/part-time ratios and trends
- • Student demographics compared with community trends
- • Enrollment trends by division, program, dept., campus & program type
- • Financial aid/scholarships

Student Retention

- • Number & % of course completers and passers
- • Ratio of successful to unsuccessful completers

- • Ratio of early to late withdrawals
- • Grade distribution trends by full-/part-time faculty and by program

Student Demand

- • Unduplicated attempts to enroll by
 - Course
 - Department
 - Division
- • Ratio of attempts to capacity

Student Satisfaction

- • Survey students upon completion of 30 credits
- • Survey graduates in capstone classes
- • Survey “leavers”
- • Point-of-contact student services surveys
- • Trend surveys over time

Employer Satisfaction

- • Employer focus groups
- • Business roundtables
- • Gap-Analysis surveys (what employers expect vs. graduate performance)
- • Satisfaction guarantee

24. Information Only-Strategic Plan, CCSN – (Continued)

Regent Derby thanked President Carpenter for his presentation and complemented the focus on metrics which she thought was well needed. She asked about the relationship between financial planning skills and student persistence rates. President Carpenter answered that Ms. Debra Lopez, Director of Human Resources at CCSN, had helped uncover this issue. He thought the primary issue for student persistence was academic performance. He continued that part of the intervention strategy should be looking at how students manage finances and trying to interface with that. Regent Derby asked if there would be training programs. President Carpenter replied he was looking to Ms. Lopez to determine what the form should be, but the issue will be addressed. Regent Sisolak expressed his appreciation for the presentation and thought the students spoke volumes for the institution. Regent Whipple asked how graduation rates would be addressed. President Carpenter responded the System has low graduation rates and CCSN has the lowest. The intent of students at the community colleges needs to be determined. CCSN wants to improve the student success rate rather than the graduation rate which does not apply to community colleges.

25. Information Only-Handbook Revision, Board Development Committee to a Standing Committee - The Board considered making the Board Development Committee a Standing Committee. This was the first hearing of a proposed amendment to Regents’ Bylaws (Title 1, Article VI, Section 3) with final action to be taken at the December 2005 meeting (Ref. R on file in the Board office) .

Regent Alden entered the meeting.

Regent Leavitt stated it was his pleasure to be chair of the Board Development Committee. He views the Committee as an extended family. He hoped that the public realized that over the past year there had been a climate of trust and respect amongst the Regents. He noted that Regent Derby has been a leader in board education. He hoped he had the support to make Board Development a standing committee as he felt the Committee needed to be ongoing in order to be effective.

26. Information Only-Handbook Revision, Investment Committee adds Properties to Responsibilities - The Board considered adding real property management and oversight to the responsibilities of the Investment Committee. This was the first hearing of a proposed amendment to Regents’ Bylaws (Title 1, Article VI, Section 3) with final action to be taken at the December 2005 meeting (Ref. S on file in the Board office) .

Regent Dondero thought it was a good idea to add properties to the Investment Committee and has asked that a map of the System's property inventory be prepared. She also asked that a map of BLM land be acquired. Regent Alden stated he has advocated that everything come through committees and it was important to add properties to the responsibilities of the Investment Committee. Regent Sisolak expressed his concern that the scope is enormous and overseeing

26. Information Only-Handbook Revision, Investment Committee adds Properties to Responsibilities –
(Continued)

properties will be a great deal of work. He noted the Chair of the Committee would need staff support. Vice Chancellor Neel mentioned that deadlines had been established. He continued that the business officers would appreciate being able to look at concerns about the timing of issues with acquisition and disposal and assisting with developing the role of the Committee to assure there are no other issues.

27. Information Only-Handbook Revision, Establishment of a Board Standing Committee on Research and Economic Development - Staff presented to the Board a proposal for creation of a standing committee of the Board charged with reviewing and making recommendations on issues concerning research and economic development initiatives. This was the first hearing of a proposed amendment to the Regents' Bylaws (*Title 1, Article VI, Section 3*) with final action to be taken at the December 2005 meeting (*Ref. T on file in the Board office*).

Chancellor Rogers stated during his tenure the System has concentrated on developing two research universities. He explained that nothing will be more important than raising funds for research. He felt it was essential that the Board have a committee concentrating on that area.

28. Information Only-Handbook Revision, Charge of the Academic, Research and Student Affairs Committee - Staff reviewed with the Board the charge of the current Academic, Research and Student Affairs Committee, recommending a revision of the charge in light of the June 2005 establishment of the Cultural Diversity and Security Committee and the presumed approval of the Research and Economic Development Committee. Further, staff recommended renaming the Committee the Student and Academic Affairs Committee. This was the first hearing of a proposed amendment to the Regents' Bylaws (*Title 1, Article VI, Section 3*) with final action to be taken at the December 2005 meeting (*Ref. U on file in the Board office*).

Vice Chancellor Nichols noted that if item 27 passed, the charge for the ARSA committee would change as some of the oversight for research would move to the research committee. Regent Rosenberg expressed his concern that research is a major component of the instructional enterprise, not as a separate unit. Faculty tend to regard research as a "cash cow" when the concentration should be on what research is and how it feeds into the instructional program. He reviewed the last 4 years of ARSA agendas and found only 9 items specifically concerning research. Though not opposed, he asked consideration that separating them sends a signal that we may not want to send.

29. Information Only-Handbook Revision, Nonreappointment Policy, Disciplinary Actions, DRI - President Stephen G. Wells provided information of proposed amendments to the NSHE Code (*Title 2, Chapter 5, Sections 5.8.2 and 5.8.3, Chapter 6 and new Chapter 8*). The changes to Chapter 5 will clarify the nonreappointment policy and add benefits and protection for faculty. These revisions are being requested to make disciplinary actions more streamlined, while protecting employee rights. This was the first hearing of the proposed NSHE Code amendments with final action to be taken at the December 2005 meeting (*Ref. V on file in the Board office*).

President Wells requested two actions: a clarification of the policy for notice of nonreappointment, adding benefits and protection for faculty; and streamlining the disciplinary process for DRI. As DRI does not have tenure, it was felt that a longer period of time and notification for termination was needed. The main change was to remove DRI from Chapter 6 and creating a new Chapter 8.

30. Tabled-Handbook Revision, Employment of Regents at NSHE Institutions, Units or Foundations – The Board tabled action on Chairman Bret Whipple’s request for approval of a change to the Board of Regents’ Policies (*Title 4, Chapter 1, Section 3*) to establish a policy regarding the employment of Regents at institutions, units or foundations of NSHE (*Ref. W on file in the Board office*).

Vice Chancellor Klaich stated this issue had been previously discussed and was brought back to the Board for consideration without recommendation. Regent Sisolak felt strongly that the Board has a fiduciary duty and obligation to protect the integrity of the System and he wanted to ensure there was no perception of problems. He noted that other boards and agencies deal with this restriction and he thought it was reasonable for the Board of Regents to have this policy. He thought that sometimes Regents lose sight of the pressure put on presidents when making requests. Presidents are put in harm’s way to say no. He had considered amending the language so that if a president was approached it would be incumbent upon them to notify the Chancellor.

Regent Sisolak moved approval of the Handbook revision to establish a policy regarding employment of Regents at institutions, units or foundations of NSHE. Regent Alden seconded.

Regent Alden thanked Regent Sisolak for proposing the amendment. He asked if the other agencies had a one- or two-year cooling off period. Regent Sisolak answered to the best of his knowledge it was one year. Vice Chancellor Klaich noted this policy was modeled on NRS that states one year. Regent Derby mentioned there had never been a problem and she did not see the need. Regent Rosenberg stated that many times the Board reacts to a situation and he agreed with Regent Derby. He did not think the presidents were weak in any way and did not see the need.

30. Tabled-Handbook Revision, Employment of Regents at NSHE Institutions, Units or Foundations –
(*Continued*)

Regent Anthony commented the Regents were not a regulatory body but a policy making body. He did not like policies made due to situations, and felt this was unfair. When he was elected to the Board, he taught at the community college and UNLV. He would like to return to teaching after he leaves the Board and he would hate for a policy to infringe on that. He continued that he understood the spirit but wondered if this was the correct avenue. Regent Howard stated she also formerly worked at CCSN and UNLV. She has an interest in pursuing a position in higher education after her Board tenure. She did not see the need and if this was approved, she did not think Regents should be singled out. She believed the policy should include the Chancellor, General Counsel and Faculty Senate Chairs. She noted she had seen situations where senate chairs moved from their chair position to higher positions than held before due to their position as Faculty Senate Chair. She asked what kind of position a president would be put in if a General Counsel or any counsel member who knows every legal matter on the Board and what is going on in the System, including personal and confidential matters, applied for a position. She felt the policy needed to be looked at in depth and she did not believe that regulatory agencies with such policies only included their board members.

Regent Leavitt stated this was a policy to stem perception. The proposal calls for a one-year period, but he could support a rule that a Board member could not apply until the day following the end of their tenure on the Board. He thought the policy was an attempt to say Board members do not use influence improperly. Regent Wixom asked if the proposed language meant that if a Board member was employed at the present time, they would not be employable when they left the Board. Vice Chancellor Klaich agreed. Regent Wixom noted there had been no suggestion of impropriety but he understood the perception. He felt the Board often rushes to address perception in haste without understanding the ramifications. Action needs to be taken after reflection and thought. He wanted this to have more consideration before moving forward. Regent Sisolak appreciated everyone’s concern and was not implying there was influence used in the case that precipitated the development of the policy. There is public perception that the Regents have power and put pressure on presidents. The Board needs to make sure there is no problem or impression there is a problem. Other applicants need to be considered and he felt it was just that they get a fair shot. Regent Anthony thought the issue was that System employees should not be in a position of undue pressure to hire Regents. He asked for an opinion from the ethics commission about applying

for positions. He would be comfortable with a policy to not apply or discuss positions while on the Board. Regent Hill heard the arguments but noted some Board members asked for favors and demanded things that are inappropriate. He agreed with Regent Wixom that other issues about Regent involvement with institutions be brought back.

Regent Howard expressed her disappointment that the issue she raised, including other System employees in the discussion (Chancellor, legal counsel) carried no

30. Tabled-Handbook Revision, Employment of Regents at NSHE Institutions, Units or Foundations –
(Continued)

weight. She thought the policy should include everyone. She thought the Board needed to have more backbone when it comes to certain issues. She did not think it was fair, it did not matter because she could get a job at a private institution and the knowledge she learned in the System could be better utilized at a private institution. This discourages using knowledge and resources gained to contribute after leaving the Board. Chancellor Rogers stated that when he became Chancellor he ran into interference with Regents trying to run the institutions. When he asked the presidents about it, he was told they were intimidated by Regents. When Regents are on campus, it creates pressure for the institution. He noted that his suggestions were viewed as orders at the institutions he works with. The Board does not understand, because they are not on the other side of the fence, the power over the institutions. He was uncomfortable with those in office suggesting a job be available when they leave the Board. The question is whether a Board member made a suggestion that a job be open when their tenure ended. He thought the perception of the public is important. He believed everyone above the position of president should be included in the policy, but favored grandfathering current incumbents. It would not occur to him, while he was Chancellor, to approach an institution about a future job. It is improper and intimidating. If he wanted to go to work for the System, he would quit and then make the application. It is not the time period after you leave, but what is done during the time on the Board.

Regent Gallagher stated a single Regent does not have power, the power comes after the Board acts. She and the Chair cannot speak for Board until action is taken. She is concerned about Regents intimidating others. She thought intimidation should be brought to the Board and should not occur. She did not know if the Board was overreacting to one incident. She felt the Board needed to think about the issue more and develop something that fit. Regent Alden stated the issue was not what happened after a person left the Board but while they were on the Board.

Regent Alden offered a friendly amendment that the language be one day after tenure ends. Regent Leavitt seconded.

Regent Leavitt added if the motion failed, he pledged that he would not apply for any position. He noted there was pressure placed on System employees when Regents place calls. He was impressed by the courtesy, respect and the promptness shown. He urged everyone if they had been improperly pressured by him to let the Chancellor or Chair know. There is a perception which is often reality. Regent Wixom stated he was not opposed to the policy. He expressed his concern that enacting the language could create consequences which would be regretted. He wanted to pause and make sure the Board was enacting what was wanted from a long-term perspective. He agreed the issue needed to be addressed.

30. Tabled-Handbook Revision, Employment of Regents at NSHE Institutions, Units or Foundations –
(Continued)

Regent Dondero stated when she ran for the office she knew there was no pay and no power except as a Board. She wondered if Regent salary money could be donated to a scholarship. She did not know why the policy was needed because Board members know what their responsibilities are. Regent Hill clarified that there was one time that one Regent resigned to take a position, which does create a perception. He was not against the policy but a better and broader policy needed to be drafted to address demands for favors. He continued that ethics are violated when the demanded hire takes place because of an undue advantage because of his/her office. He felt the threats and intimidation needed to be addressed. He thought this item should be tabled.

Regent Rosenberg stated he was offended by the consideration that the presidents are door mats. He felt they were more than capable of saying no. He did not think this was a problem. Regent Howard stated she was sitting and listening to the depiction of a Regent who resigned.

Regent Sisolak noted a point of order. He was concerned that the Board was getting away from the policy and referring to a specific instance.

Regent Howard felt it was important and overlooked was the fact that a Regent could sit on the Board and vote on a matter after they had applied for a position at an institution. She felt the Board should be more concerned about that. She asked if it was appropriate for a Regent to chair a committee after they had left the Board. Regent Sisolak was shocked as he did not think the matter was so controversial. Regents have power and presidents can be pressured. The Board needs to be above the appearance of impropriety. If action is not taken, it will appear that the policy was shuffled back under the rug. He thought System staff should have a separate policy. Regent Leavitt stated he did not want to make a quick decision. He asked Regent Wixom what the unintended consequences could be. Regent Wixom answered Regents who are employed in the System could not apply for a different position or opportunity in the System. He agreed that the perception issues had to be addressed but this was creating a situation without understanding the ramifications. His preference was to see an amendment to prohibit negotiating for a position after leaving the Board. His concern was that, by taking action, the Board was creating a situation that was not fully understood. Regent Hill requested General Counsel develop new language for the policy.

Regent Hill moved to table until the December meeting.

Regent Hill believed that a time certain tabling was debatable. Regent Sisolak noted a point of order and asked if a time certain tabling made a difference for debate. Vice Chancellor Klaich understood that it was not debatable and was not aware of any exceptions.

30. Tabled-Handbook Revision, Employment of Regents at NSHE Institutions, Units or Foundations –
(Continued)

Regent Schofield seconded.

Regent Leavitt began to ask a question when Regent Sisolak noted a point of order. Vice Chancellor Klaich noted the motion to table took precedence.

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

The meeting recessed at 10:47 a.m. and reconvened at 10:58 a.m. with all members present with the exception of Regents Leavitt, Sisolak and Schofield.

31. Approved-Handbook Revision, The Seal of the Nevada System of Higher Education – The Board approved Chairman Bret Whipple's request for approval to amend the Bylaws of the Board of Regents, (*Title I, Article II, Sections 1-3*) to reflect the new name of the Nevada System of Higher Education. He also presented a new seal to be discussed for use as the official seal of the Board of Regents. This was the second reading of this item which was presented for information at the June 2005 meeting (*Ref. X*).

Mr. John Kuhlman, Manager of Public Information, reviewed additional seal options. Regent Whipple asked if there was one that was more popular at the last meeting. Mr. Kuhlman answered only one seal was presented and he was asked to come back with other versions. Regent Whipple asked why there were three that looked the same.

Regent Schofield entered the meeting.

Mr. Kuhlman responded the three had different type faces. Regent Whipple asked which would be easiest to replicate. Mr. Kuhlman replied Garamond or Trajan.

Regent Alden moved approval of the Handbook revision regarding the new seal of the Nevada System of Higher Education to use the Garamond font. Regent Anthony seconded.

Regent Sisolak entered the meeting.

Motion carried. Regent Leavitt was absent.

32. Approved-Handbook Revision, Acquisition or Sale of Real Property – The Board approved Vice Chancellor Harry E. Neel’s request for approval of a substantial revision to the Board of Regents’ current real estate policy as contained in Title 4 (*Codification of Board Policy Statements*), Chapter 10 (*General Business Management*), Section 1 (*Purchasing Policy*). The intent of the revision is to expedite the review of real estate transactions and to address omissions and ambiguities in the current real estate policy. The policy change includes, among others, a request to allow the Chancellor to authorize NSHE institutions to enter into real estate negotiations. The Board of Regents’ authority to approve the final sale or purchase is retained in the policy without change (*Ref. Y on file in the Board office*).

Vice Chancellor Neel stated this revision was based on the current real estate market. The presidents need to have the ability to expedite certain transactions. The change being proposed is the initial approval for negotiations be granted by the Chancellor. Once negotiations are completed, the institutions will return for Board approval. This revision also clarifies leases and easements as they were not clear in the policy.

Regent Alden moved approval of the Handbook revision on acquisition or sale of real property. Regent Schofield seconded.

Regent Rosenberg clarified that the System did not want to give prior warning about purchasing property as good business practice.

Motion carried. Regent Leavitt was absent.

33. Approved-William F. Harrah College of Hotel Administration, UNLV – Singapore Campus - President Carol C. Harter provided an update to the Board on progress toward implementation of the plan approved by the Board in February for UNLV’s Hotel College to offer certain of its programs in Singapore on a self-supporting basis. The Board approved a plan to clarify and/or modify its prior approval relative to (1) acceptance of greater financial benefits from the Economic Development Board of Singapore, and (2) UNLV employee status for academic faculty in Singapore (*Ref. AA on file in the Board office*).

President Harter noted this item had been approved at the February 2005 meeting and gave the Chancellor permission to negotiate and approve the final MOU with the Economic Development Board of Singapore. She continued that it was important to bring forward new developments about the program. Provost Ray Alden was introduced to make the presentation.

University of Nevada, Las Vegas – Singapore Campus UPDATE OF PROGRAM DEVELOPMENT

BOR Approvals Feb 2005

➤ • “Self Supporting Program:

33. Approved-William F. Harrah College of Hotel Administration, UNLV – Singapore Campus – (*Continued*)

- UNLV Singapore to offer two of Harrah Hotel College existing programs:

- · B.S. degree using existing Junior and Senior level undergraduate courses
- · Executive Masters in Hospitality
- · Program Administration
- Registration, admissions, transfer and general education approvals, including graduation would be the responsibility of the UNLV Singapore program
- Little or no impact on UNLV resources
- Courses offered will meet or exceed UNLV academic standards
- · Chancellor to negotiate MOU with the Singapore EDB

Non-Resource Cash Advance

- · Providing financial incentives for UNLV Singapore
- · Cover all expenses for the first 5 years – up to \$2.3 million, with favorable financial rates
- · Projections show revenues exceed cost after third year
- · “This may just be one of the swiftest projects we’ve ever handled.” – May Li Tan, Senior Officer Education Services Cluster

Updates on Related Issues

- · Legal Opinion by Singapore-Based Attorneys:
 - As a “Public Company Limited by Guarantee”, UNLV Singapore provides NO Financial Liability for UNLV or NSHE
 - Any Liability for Actions of UNLV Singapore Board of Directors to be Covered by D&O “Errors and Omissions” Insurance (Risk Management is Exploring)
 - Submitted to NSHE General Counsel for Confirmation
 - · Based on “Best Practices” Used by Other Institutions in Singapore, Procedures Are Being Developed:
 - Numerous Financial Controls Established
 - To Insure Highest Academic Standards – Hiring & Employment of Faculty Will Be the Same* as Used for Non-Tenure Tract Faculty at UNLV (Except Self-Supported)
 - Tenured and Tenure-Track Faculty from UNLV Will Be Rotated through Teaching the Program (Also Self-Supported Funding)
- *When feasible under INS rules

Facilities – new opportunity

- · The prestigious Singapore National Library Building
- · Opened in July 2005 with grand opening projected to be December 2005

33. Approved-William F. Harrah College of Hotel Administration, UNLV – Singapore Campus – (Continued)

Singapore National Library Building

- · 10th and 11th floors – 12,000 sq. ft.

Corporate Secretary – KCS

- · Registered our legal name “UNLV Singapore Limited”
- · Processed incorporation of our Public Company of Limited Guarantee (PCLG) with ACRA – Approved August 8th
- · Working on our “Charity status” application
- · KCS is a branch of KPMG in Singapore

Timeline for First Classes to open September 2006

September 2005

- · Finalize financial arrangements with EDB
- · Select bank and finalize procedures

October 2005

- • Finalize designs for NLB build out
- • Commence build out of NLB
- • Hire administrative staff (Kelly Services)

November 2005

- • Finalize class schedule and calendar for Fall 2006
- • Finalize admissions process

December 2005

- • Hire and schedule faculty as required
- • Develop UNLV Singapore website
- • Develop recruiting and marketing programs

January through August 2006

- • Activities as needed to open for classes in AY 2006

The Global Schoolhouse

Business, Hospitality, Engineering

Request for Board Action

1. Authority to enter into agreement with Singapore EDB for non-recourse cash advance of up to \$2.3 million. Chancellor to approve agreement
2. Authority to provide faculty for Singapore through standard hiring and employment procedures*:
 - a. Non-tenure track faculty in residence on annual “Rank 0” contracts; hiring practices comparable* to UNLV; self supported & contingent on program success
33. Approved-William F. Harrah College of Hotel Administration, UNLV – Singapore Campus – (Continued)
 - b. Tenured and tenure-track UNLV faculty to rotate through teaching assignments; funding self-supported; visiting faculty hired to replace at UNLV
 - c. No costs to UNLV for any faculty teaching in Singapore

*when feasible under INS rules

Vice Chancellor Klaich thanked President Harter, Provost Alden, Dean Stuart Mann, and General Counsel Richard Linstrom for their work. They brought forth a concept that was approved and everyone has been working to bring forward more details on the program. It was determined there were minor differences between what was presented and he wanted to highlight those for the Board. He thanked everyone at UNLV for their diligent work on the project.

Regent Rosenberg moved approval of the plan for the UNLV Singapore Campus. Regent Schofield seconded. Motion carried. Regent Leavitt was absent.

Regent Schofield stated he had just returned from a trip to China. He believed the Chinese were interested in education and Singapore was a small step in the right direction.

Regent Alden left the meeting.

Regent Schofield continued that the President of China issued a proclamation that he wanted world peace because war is destructive to humanity and resources. He did not think there should be worry or concern about going to Asia. He thanked President Harter.

34. Information Only-Review of Legislation, SB 156 - Chair Bret Whipple invited Senator John Lee, the

sponsor of SB 156, to review the background and impetus for this legislation (*Ref. CC on file in the Board office*).

Regent Whipple introduced Senator John Lee and thanked him for his support of higher education. Senator Lee expressed his excitement to tell the Board about the ornamental horticulture program. He noted it is a 2+2 program developed by the industry. Senator Lee did not understand how the process worked and introduced a bill. He was in the middle of these efforts before he understood how things worked. He now understands the procedures and is willing to work within them. There are wonderful students in southern Nevada but no facilities to teach them. He spent a day with President Carpenter at a symposium learning about low income adults returning to college and this program would allow them to be able to receive a degree in this field. Currently students are transferred to Washington or California. His responsibility, by developing the bill, is also to

34. Information Only-Review of Legislation, SB 156 – (*Continued*)

fund it. He will go to the next session and request funding of \$1.2 million. He introduced Doug Busselman, Nevada Farm Bureau Federation; Dick Post, Emeritus, University of Nevada Cooperative Extension; Susan Ray, Board of Agriculture; Jim Johnson, Nurserymens Association; Andy Belanger, Las Vegas Valley Water District; John Smith, CCSN; Debra Rae Drew, Nevada Landscape Association; Tom Jaszewski, Mirage Horticulture; and Dean David Thawley, UNR. He was excited to offer this opportunity in Southern Nevada and bring it forth to the Board. He understands the System and would not introduce a bill for programs again but it was for the betterment of the people. Regent Whipple expressed his appreciation to Senator Lee for taking the time to visit and for his support of higher education. He expressed his concern that a procedure had not been set up to bring forward information and felt that needed to be addressed. He thought it was important to hear from the presidents regarding this issue as it will directly affect them. Senator Lee believed a procedure would be helpful so the legislature would know how to better work with the System.

President Lilley thanked Senator Lee for his support. He noted this was an item brought through the strategic planning process for the College of Agriculture but not through the standard procedure of the Board. It is currently going through the process and will come forward to the Regents for approval. Regent Whipple thought a concern of Senator Lee was the need in the south. He wondered what type of presence there would be to address the need in southern Nevada with the four year institution being UNR. President Carpenter thanked Senator Lee for his support and commitment to higher education. This proposal has not been part of discussion at CCSN or the strategic plan. CCSN learned about it in the middle of the legislative session. The curriculum has issues which have been discussed. Senator Lee brought an awareness of an unmet need. President Harter also thanked Senator Lee for his interest and suggested that there are multiple opportunities for programs at UNLV in areas related to horticulture that would permit a 2+2 agreement. UNLV has a landscape architecture major, a PGA professional golf management program, an arid lands environment sciences baccalaureate, a baccalaureate in environmental biology and a baccalaureate and master's degree in urban architecture. Horticulture is going through UNLV's internal process for review that would permit a 2+2 connection with CCSN. She thought there were multiple opportunities to fill the need and multiple institutions that could be involved. President Maryanski stated NSC also had a 2+2 with CCSN for horticultural management.

Regent Rosenberg appreciated Senator Lee's explanation and did not mean any disrespect. He explained that he did not usually have a problem with the legislature making recommendations to the Board of Regents. The Board provides the management while the legislature provides the money. He recognized that the legislature may see needs that they believe have not been attended to. Regent Rosenberg continued that he did not have problems with members of the legislature making recommendations for creation of programs by the System, but believed that planning and a recognition of the separation of

34. Information Only-Review of Legislation, SB 156 – (*Continued*)

powers, would dictate that prior to passing a bill those involved would come to the System first. He did not believe that any Board member or the Chancellor were involved in discussions leading to the bill, development of the bill or its introduction and passage. There is a process for developing curriculum which needs to be observed. He continued that when hearings were held on the bill and when it was up for a vote, it was never brought to the attention of the Board. This Board is mandated to govern the System of Higher Education. He wanted to know who knew what and when. He recognized the legislature's prerogative to recommend, he has

strong objections to the legislature making recommendations and appropriating money to create programs without the advise and consent of the Chancellor, presidents and the Board of Regents. The Board is constitutionally mandated to govern the System of Higher Education and it is the Board's responsibility to oversee the creation of curricula and programs within the System. He appreciated the concern, but \$1.2 million coming into the System when there are other needs (letters of appointment, part-time faculty and adjunct faculty salaries) that are not paid a decent wage. Regent Rosenberg thanked Senator Lee and appreciated the work that went into this. Regent Whipple asked Regent Leavitt, as chair of the Board Development Committee, to communicate better with the legislature on how to bring concerns forward to the Board.

Regent Sisolak commented that this first came to his attention when he met with Senator Lee on an unrelated issue. He put Senator Lee in touch with Vice Chancellor Klaich. He accepted responsibility as he was made aware of the program. Regent Whipple felt it was important to understand the process and the Board Development Committee should address the issue. Regent Leavitt felt this was an opportunity to educate the legislature and foster deeper relationships. He thanked Senator Lee for having an interest in education.

Mr. Doug Busselman stated the Nevada Farm Bureau was one of the groups involved to gain passage of SB 156. Their support was based on their policy that calls for expansion and recognition of all forms of agricultural production. The need for enhancement of plant sciences within the College of Agriculture, Biotechnology and Natural Resources was also considered. It was difficult to consider that the land grant college did not have a plant science department.

Regent Howard left the meeting.

Mr. Busselman continued that SB 156 was thought to be a win for the students and a benefit for the state. The legislative forum provided a chance to work proactively to accomplish important objectives not achieved elsewhere and to build the College of Agriculture at the state's land grant institution into the type of institution Nevada ranchers deserve. Mr. Busselman expressed his appreciation to Senator Lee for his assistance and leadership and acknowledge Senator Raggio. He also thanked those who worked to accomplish passage of the bill and said he looks forward to working with the Board. Mr. Tom Jaszewski, Horticulture

34. Information Only-Review of Legislation, SB 156 – (Continued)

Director, Mirage Hotel, stated as part of the company commitment to diversity, he is charged to create a pipeline of qualified employees for mega resort horticulture. He has increasingly been forced to recruit outside of the community. They require staff and not designers. It is no longer sufficient to hire employees as garden laborers. As more complex and exotic displays are introduced, the level of expertise to maintain the displays becomes more complex. Integrated pest management and soil management programs require a working knowledge of computer control systems, energy management systems and a firm grasp of biological sciences. For the past seven years, Mirage has coupled employee training and opportunities program with the CCSN ornamental horticulture program. He felt the program proposed in SB 156 was the next logical step for future success of gardeners. Regent Rosenberg had no idea it was that complex.

Mr. Jack McClary, Landcare Incorporated, stated the industry could no longer try to hire employees from out of state. They have to develop talent locally as it is more cost efficient. Regent Whipple asked if Mr. McClary was not being supplied with the employees he needed. Mr. McClary answered no. Regent Whipple asked if he wanted employees with a two- or four-year degree. Mr. McClary replied he would take either. A labor pool that he was comfortable with would give him a great opportunity as an employer. When Regent Whipple asked what type of training or degrees his employees had, Mr. McClary responded only two of his employees have degrees.

Regent Howard entered the meeting.

Mr. McClary wanted a degree for senior management employees. The industry could be more efficient with higher caliber employees. Regent Derby thought the Board might not have been as effective in identifying community needs. Regent Rosenberg wondered whether institutions had been contacted and were not receptive. Mr. McClary answered he has talked with CCSN for four years regarding a different program. He has contacted

professors and there has been communication but nothing happened. President Lilley noted UNR was aware of the need and requested resources. The program was proposed to be created, but there were no resources. This has been something that has been planned with CCSN for several years. President Carpenter wanted to ensure that those present knew CCSN wanted to respond and his door is open.

Susan Ray, Assistant Director of Horticulture at the Mirage, stated most of the gardeners at the Mirage have gone through the junior gardener program and their employment is contingent on completing the program at CCSN. It has been found that their employees need more education beyond the program and that is why the Board of Agriculture stands behind this 2+2 program. Debra Rae Drew, Executive Director, Nevada Landscape Association, noted that Nevada youth go to school in other states and are lost to those states. She felt if students were educated in Nevada they would stay and support the economy. Homeowners want landscaping, and there is a growing demand for landscaping of open spaces, parks,

34. Information Only-Review of Legislation, SB 156 – (Continued)

recreational areas, and golf courses and the green industry is falling short of these needs. The industry workforce used to have on the job training, however, employers favor hiring those with a four-year degree. She stated that UNR has been approached regarding this program.

Dick Post, Emeritus Professor, UNR, mentioned the strategic plan of the college showed the need for a horticulture program. He was asked to conduct a feasibility study. He investigated programs at seven other universities and found they were growing rapidly and talked with students who asked that the program be developed. He was a county agent and moved to UNR to start an associate degree. In 1973, they started moving classes to upper division to begin a baccalaureate program. In 1985, the plant science department was lost. It was determined that this program was needed and that is where they are today.

President Maryanski clarified there is an ornamental horticulture management degree program at NSC.

John Smith, Program Coordinator at CCSN, started the program 25 years ago and developed the associate degree program. During this period, there has not been a baccalaureate program in horticulture. There have been a number of students working in the industry. There are also a number of students who would love to continue their education. Competition and technology requirements are greater and in order for students to compete, they will need a baccalaureate degree.

Regent Whipple expressed his appreciation to Senator Lee and stated he would always be an honored guest.

Regent Schofield expressed his thanks to Senator Lee for having the foresight to introduce the Regent salary bill.

The meeting recessed at 12:02 pm and reconvened at 12:19 pm with all members present except Regents Alden, Dondero Howard and Leavitt.

Regent Whipple introduced Benjamin Graff, Student Regent, Arizona Board of Regents and Sam Chang, Arizona Students' Association.

17. Approved-Commercial Banking Services Contract – (Continued)

Ms. Payne clarified the RFP contained a clause of 180 days to walk away from the contract without cause. She continued that General Counsel Bart Patterson reviewed the contract and the RFP. If the System selected Bank of America, it would be a government contract and the fees have been cut by 60% for the System. Regent Whipple thanked General Counsel Patterson for his review of the documents. Vice Chancellor Klaich stated the contract with Bank of America was one page and stated that the contract consisted of the RFP, Bank of America's

17. Approved-Commercial Banking Services Contract – (Continued)

response to the RFP and standard treasury regulations. He asked that the words “and pricing” be added to the contract. He noted the contract contained a 180-day walk away clause that can be used at any time during the contract if either party is unhappy with the relationship. This is the time period that another RFP could be sent out to change banking services. There is also a termination for cause provision of 60 days. The General Counsel’s office is comfortable that this is a good contract. Regent Sisolak stated that, in the future, it would be appropriate for the contracts to be reviewed ahead of time. It was his understanding that all contracts go through General Counsel which could have eliminated much of the discussion. Vice Chancellor Klaich responded that this situation would not occur again. He continued that General Counsel would not have to be included in the RFP process, but would review the contract. Regent Sisolak asked if there was a transition cost. Ms. Payne replied it would take a great deal of time. The only up front costs would be ordering checks and deposit slips and destroying the old Wells Fargo checks. There are no fees to open the account. Bank of America is also providing a \$100,000 signing bonus which will not come as cash, but will be used to offset fees. Regent Sisolak asked how much time was needed. Ms. Payne answered the System will have three months to open accounts and prepare signature cards, SCS has to work with Bank of America on payroll, new software will have to be learned and implemented, and paperwork must be completed. Regent Sisolak asked if people would work over time, hire new employees or will time be reallocated. Ms. Payne answered it would be a reallocation of time.

Regent Derby moved approval of the commercial banking services contract. Regent Hill seconded.

Regent Howard entered the meeting.

Regent Whipple asked who was the holder of the System’s custodial accounts. Ms. Payne replied Wells Fargo. Ms. Fuetsch, Wells Fargo, stated that Wells Fargo introduced a 19% reduction of fees as part of the RFP. She expressed her appreciation for the explanation provided by Ms. Payne. She hoped the Board understood that Wells Fargo did not want to walk away from such a great client. Wells Fargo has been, and will be, a strong advocate of the university.

Motion carried. Regent Wixom abstained. Regent Rosenberg voted no. Regents Alden, Dondero and Leavitt were absent.

35. Approved-Credit Card Processing Contract – The Board approved Ms. Kathleen Payne’s, Director of Banking and Investments, request for approval of Wells Fargo Bank to continue to provide credit card processing services to NSHE beginning January 1, 2006 (*Ref. M on file in the Board office*).

Ms. Payne noted the four-part RFP included credit card processing. It was recommended that the System remain with Wells Fargo for credit card processing as the fees were most competitive, service and response times have been good and it was felt there was no reason to change banks. She recommended approval of the contract to Wells Fargo for credit card processing.

Regent Rosenberg moved approval of the credit card processing contract. Regent Hill seconded. Motion carried. Regent Wixom abstained. Regents Alden, Dondero and Leavitt were absent.

36. Approved-Resolution, Sale of Revenue Bonds – UNLV and UNR – The Board approved Ms. Kathleen Payne’s, Director of Banking and Investments, request for authorization to issue revenue bonds currently estimated to be \$170 million (excluding refinancings) to support the construction of the UNLV student union, UNLV student recreation/wellness center, UNLV completion of the Cottage Grove parking facility expansion, UNR student union, and for the possible refinancing of existing bonds contingent upon the recommendation of the NSHE financial consultant and the concurrence of the Vice Chancellor for Finance and Facilities Planning (*Ref. Z on file in the Board office*).

Ms. Payne recommended authorizing revenue bonds for several projects and refunding two bonds. She noted the total bond proceeds would be \$157 million for the five projects. The total bond amount including the refunding of the two bonds would be \$183 million. The timing of the projects was such that one bond could be issued to

save money on expenses related to bonds.

Regent Gallagher moved approval of the sale of revenue bonds for UNR and UNLV. Regent Hill seconded.

Vice Chancellor Klaich asked if the \$23 million would be refinanced. Ms. Payne answered that would be determined at the time of sale. Vice Chancellor Klaich asked about the criteria for refinancing. Ms. Payne replied the policy stipulated a 3% savings as there is cost in refinancing and some bonds may only be refinanced once during their life. Vice Chancellor Klaich asked what the spread would be on the two bonds. Scott Nash, Johnson Consulting Group, responded the current estimate was 4.9% for one and 4.1% for the other. Regent Sisolak asked who developed the 3% rule. Ms. Payne answered the policy was in place prior to her arrival. She continued there was an internal policy for debt issuance which was developed by the business officers, vice chancellor for finance and financial

36. Approved-Resolution, Sale of Revenue Bonds – UNLV and UNR –(Continued)

consultant. Regent Sisolak stated the Board is charged with policy and making decisions and should develop the policy regarding when it is appropriate to finance or not refinance bonds. Ms. Payne reiterated she inherited the policy and campuses have copies of the policy. She noted that analysis and thought went into the policy, to ensure it makes sense to refinance. Regent Sisolak stated the System has hundreds of millions of dollars in bonds and 2% would be an enormous savings. Ms. Payne stated 3% is the guideline.

Regent Leavitt entered the meeting.

Ms. Payne continued that Regents could change the policy. Regent Gallagher stated this had been the policy for a long time and it is a line for consideration. She did not think anything had been done below that. She thought perhaps the policy needed to be revisited or reanalyzed. Regent Sisolak stated, if the policy had been in effect that long, situations have changed. He continued that the bond being discussed was \$173 million and 3% would amount to \$5 million and should necessitate review of all bonds. He asked that a list of outstanding bonds and their rates be brought back to the Board. Vice Chancellor Klaich stated Johnson Consulting provides extensive analysis of bonds and he believed this discussion could be held at the committee level. Regent Sisolak asked for the next Budget and Finance Committee meeting that the policy and how it was established be brought forward. Vice Chancellor Neel commented his office would handle bringing the information forward. He clarified that not all bonds are refundable or can be refinanced.

Motion carried. Regents Alden and Dondero were absent.

37. Approved-Salary Equity Pool Formula, CCSN – The Board approved President Richard Carpenter's request for approval of an implementation plan for the utilization of funding appropriated by the 2005 Legislature for CCSN faculty equity adjustments. The Board approved the plan which involved a change to the CCSN salary schedule (*Ref. BB on file in the Board office*).

President Carpenter referred Regents to their reference materials which contained the proposed distribution for the equity funds. CCSN's role was determining what to do with the money once the funds were in hand. CCSN needs approval to distribute the funds. The formula will apply retroactive to July 1. There are three components: a distinguished professorship program, nursing salary issue as there are 5 nursing faculty vacancies and 100 eligible students were turned away, and the remainder distributed equally to all instructional faculty. President Carpenter stated it was important to note that the schedule does not change. There is not enough money to move everyone up on the schedule the first year. The intent is to adhere to the salary structure.

37. Approved-Salary Equity Pool Formula, CCSN – (Continued)

Regent Rosenberg moved approval of the implementation plan for CCSN equity adjustments. Regent Sisolak seconded.

Regent Howard asked if ARSA had discussed this. Regent Rosenberg responded no. Regent Howard asked

where the discussion took place. Regent Rosenberg answered the salary scale is not part of ARSA's charge.

Regent Dondero entered the meeting.

President Carpenter stated he had been charged with developing a formula and he worked with the faculty senate and NFA. This is a collaborative effort. Dr. Divine reassured the Board that the plan had been brought to the senate leadership committee. Faculty had a chance to review and alter the plan and support it. Regent Howard thought this money was to be used for salary increases for faculty. President Carpenter answered the bulk of the money is to increase instructional faculty salaries and will be distributed equally.

Motion carried. Regent Alden was absent.

38. Approved-Sale of Real Property Located at 5305 Mill Street, Reno (APN 012-320-02), UNR - The Board approved President John M. Lilley's request, on behalf of the University of Nevada, Reno, for the sale of 55 acres at 5305 Mill Street, Reno (a portion of APN 012-320-02) for \$13.2 million. The Board also approved rescinding Board of Regents' Resolution No. 81-8 insofar as it restricts the use of proceeds from the sale of a portion of Parcel No. 012-320-02 (*Ref. DDon file in the Board office*).

President Lilley reported that after permission was received from the Board, a public auction was held for university property. As a result of the auction, a decision was made to sell the property to Pacific West Homes. The Truckee Meadows Flood Control Planning Committee, under the auspices of Washoe County, made a counter offer to the Board of Regents. With two university votes on the planning committee and the requirement that all actions be unanimous, the university abstained on the vote. Pacific West has agreed to withdraw their offer conditioned upon the Board's acceptance of the Flood Control Planning Committee's offer. President Lilley thanked Mr. Paul Tanguay of Pacific West Homes and Ms. Naomi Dewer of the Flood Control Planning Committee for attending the Board meeting and for their help. He noted that Truckee River flood control is an issue for the community and he was delighted to come to a solution.

Mr. Tanguay understood that the Flood Control Planning Committee approved a motion for Washoe County to change their bid to \$12.1 million to purchase the 55 acre site at Mill and McCarran. He informed the Board members that Pacific West would honor the decision of the Board to accept Washoe County's offer and

38. Approved-Sale of Real Property Located at 5305 Mill Street, Reno (APN 012-320-02), UNR – (*Continued*)

withdraw. Mr. Tanguay noted that, subject to the Board's decision, the purchase process has been continued. He felt it was important to inform the Board that Pacific West examined a preliminary land use model that may allow a win-win scenario for all parties if their offer of \$13.2 million was approved. The new land use model entails utilizing a larger area for flood control and excavating the area to increase its flood volume holding capacity to meet the design criteria selected by the county or Army Corps of Engineers. The excavation would be used to fill the remaining developable acres and if the county purchased this portion of the property at the same price that it purchased neighboring property (*\$200,000 per acre*), the combined option would support the current purchase price. Pacific West is open to discussing all possible options and is supportive of efforts by the Flood Coalition members, Washoe County and the community to establish a safe environment for residents and business. Pacific West will continue to support the effort.

Regent Hill stated Pacific West had been courteous and professional during this process. Regent Sisolak asked if a third alternative was being presented. Mr. Tanguay replied there was a preliminary design that mirrored an option of having a dike running across the property. Regent Sisolak stated there were two alternatives before and asked if there was now a third, combined, offer. Mr. Tanguay responded if the purchase by Washoe County was approved, this was an option that could be worked out between the county and Pacific West.

Regent Hill moved approval of rescinding Board of Regents' Resolution No. 81-8 as to the sale of the 55 acres only. Regent Schofield seconded.

Regent Derby asked whether the motion referred only to the rescission of Resolution 81-8. Regent Hill replied that was correct, for the 55 acres subject to the sale. Regent Derby stated in the 1980's, the Board had the foresight to recognize the importance of the agricultural community and the impact that agricultural production has in Nevada. A resolution was passed that ensured if land dedicated to agricultural purposes was sold, the proceeds would go into agriculture research. She suggested that the importance of agricultural production to Nevada had not changed and it was important to her that the commitment be reaffirmed. A task force was established to look into agricultural research efforts and has only met once. She felt it was important for the task force to do their work and bring back recommendations before taking action that would jeopardize the commitment to agriculture producers.

Regent Hill amended his motion to include that the proceeds from the sale would go into the land acquisition account at UNR. Regent Schofield accepted the amendment.

38. Approved-Sale of Real Property Located at 5305 Mill Street, Reno (APN 012-320-02), UNR – (Continued)

Regent Hill explained the reason for his amendment was that he did not want there to be doubt that the money would be used for property. He noted that some monies were needed in the College of Agriculture, however, the funds should not be locked into one school or program to the detriment of others. The Board would vote on spending the funds. Regent Whipple requested clarification of the motion. Regent Hill replied his motion referred to repealing 81-8 as to any proceeds of the 55 acre sale only and those monies would go into the property acquisition account. Regent Rosenberg asked whether the Board should sell something before deciding where the money would go. Regent Leavitt heard the concern that there were sufficient monies for agriculture and felt the larger question was whether agriculture needed all the funds. Regent Hill felt it would be foolish to consider allocating the money without information or budgets. Regent Sisolak asked if this was an issue of rightness. He noted the land had not been sold, therefore, there was no money to deal with on Resolution 81-8. Vice Chancellor Klaich answered there were two motions to come before the Board and he did not think there was a necessary order. Regent Sisolak stated he had heard the arguments about the property. He thought it would be appropriate to lock up the money in a separate account and make decisions for use later. Regent Derby supported Regent Sisolak's concept as she felt the proceeds would be used if put in the land acquisition account. She thought there was important work before the task force and the funds should not be used until the task force made their recommendations. Regent Anthony asked whether Regent Sisolak's suggestion would rescind the policy. Regent Sisolak replied the funds would be locked up and the Board would decide later to rescind the policy. Regent Whipple noted the current motion was to rescind the policy. Regent Sisolak asked if the policy needed to be rescinded to lock the funds up. Vice Chancellor Klaich believed Regent Sisolak's suggestion would move to the second part of the discussion regarding the sale of the property. He noted locking up the proceeds subject to future direction of the Board would not require rescission of the resolution. He related the concept was different from the motion on the table. He reminded Board members that money could not be spent from land acquisition accounts without Board approval.

Regent Gallagher stated UNR is a land grant institution and the funds need to be spent properly. She expressed her concern that the College of Agriculture did not have a plan. She felt it was important to have a focused plan. Regent Dondero asked if conditions were mandated when the land was given. Vice Chancellor Klaich answered there were no restrictions on this parcel and continued that provisions in the NRS do not apply. Regent Hill felt one school should never be prejudiced, the Board needed to look at the whole institution. His motion provided a lock box as the funds could not be spent without Board approval and the Board can allocate the monies as they choose. Regent Anthony asked President Lilley about the plans for the funds. President Lilley responded there had been conversations about how it would be used, however, there were no

38. Approved-Sale of Real Property Located at 5305 Mill Street, Reno (APN 012-320-02), UNR – (Continued)

concrete plans at this time. He noted it was clear with the motion that plans would have to be brought forward to the Board.

Regent Rosenberg asked, given the motion, if Resolution 81-8 needed to be rescinded to approve the sale and put the money in a separate account. Vice Chancellor Klaich answered no. Regent Wixom clarified funds in the

land acquisition account could be used for agriculture. Regent Sisolak stated if the funds went into the property acquisition account proposals had to come before the Board. He expressed his concern about commingling the funds. Regent Gallagher stated the funds would not be commingled, they would be separate and set aside. Regent Sisolak asked how that could be when the funds were placed into the account Vice Chancellor Klaich replied the Board could stipulate the funds would go into a separate, new account. Mr. Zurek clarified that UNR's property acquisition account contains sub-accounts and another could be added. He assured the Board that nothing would be spent without approval. Regent Rosenberg asked whether that would include interest. Mr. Zurek answered yes. Regent Derby wanted to be assured the money was in a separate account and she felt it was premature to rescind the resolution. She continued that to take action prior to the task force developing a plan and determining needs was premature. If the property is sold, she felt it was important that the proceeds go into a separate account and not be spent before the task force has completed its work and brought back recommendations. She argued for defeat of the motion.

Regent Whipple called for public comment related to this item. He reminded attendees that there had been a special meeting and comments would be limited.

Mr. Dennis Hellwinkel stated he was a member of the task force. The task force has had one meeting, and is in the process of gathering information and getting input for needs. It was hoped that the information would be available by December 1 when another meeting will be held. The plan is due by March. He noted that all members are committed to getting this done as quickly as possible. If the purpose of agriculture research property is to provide capital for other UNR priorities, Nevada agriculture will lose. The reason Resolution 81-8 exists was due to a past proposal to sell agricultural research property to finance another UNR project. The present condition of agriculture research warrants that whatever resources are available be dedicated to building and enhancing research activities, and not specifically to acquire more property. He was impressed with the research going on at DRI, and stated that same kind of research for agriculture was needed at UNR.

Mr. Deloyd Satterthwaite is a retired rancher and serves on the task force. He felt it was important to be able to present a program for the College of Agriculture as there are great needs. He felt the action proposed to keep the money earmarked for agriculture was wise. He asked for the opportunity for the task force to complete their work.

38. Approved-Sale of Real Property Located at 5305 Mill Street, Reno (APN 012-320-02), UNR – (Continued)

Regent Hill expressed his sympathy that the task force had just been appointed. He did not think putting the needs of the institution on hold until their work was completed should be done. He did not mean to say that agricultural interests of the state were not important. He thought it was important to state the funds were open to agriculture and others in the university subject to Board approval.

Regent Leavitt asked President Lilley if he had never taken a position that the monies would not be used by agriculture once requests were met. President Lilley answered that was true. Regent Leavitt asked whether the excess funds could be used for other needs of the university once needs had been met. President Lilley replied yes. Regent Rosenberg asked whatever the decision was the Board could be approached with a plan that the Board could suspend a decision and authorize use of the money. Vice Chancellor Klaich replied that was correct. Regent Derby asked whether there was other money in the land acquisition fund. Mr. Zurek responded yes, from sales in the Stead area. Regent Derby asked whether funds would still be available for other land if the funds from the sale of this property were locked up. Mr. Zurek answered if there was a large piece of property available, there may not be enough money for that acquisition. Regent Derby asked about long-term agricultural planning of the task force. President Lilley replied his schedule was brisker than the one suggested by the task force. Regent Sisolak asked how much money was in the property acquisition account. Mr. Zurek replied over \$6 million at this time. Regent Sisolak asked how much the school piece would cost. Mr. Zurek replied he did not know. Regent Sisolak stated if the \$12.1 million were added to the account, there would be \$18 million available. Mr. Zurek stated he had heard that the funds would be put into a separate account, but the Board could be asked to use those funds for other properties. Regent Howard asked for clarification of the motion which Regent Hill provided.

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

Regent Rosenberg moved approval of the sale of the property located at 5305 Mill Street, Reno to Washoe County. Regent Anthony seconded.

Ms. Dewer presented the terms of the Washoe County offer to purchase the property for \$12.1 million in cash. She noted the offer was contingent upon review of title and review of environmental conditions. The county also offered

38. Approved-Sale of Real Property Located at 5305 Mill Street, Reno (APN 012-320-02), UNR – (Continued)

to be a “good neighbor” to other university properties by leasing back water rights for a minimal additional consideration and using them to better manage the property. The water rights issue would be worked out later and was not part of the sales agreement. She thanked the Board for allowing the county to come forward with an offer. She was impressed with the collegiality and partnership of UNR and it was her hope to continue to build bridges with UNR and DRI. She asked the Board for positive consideration of the offer. Regent Gallagher wanted it understood that nothing had been done improperly. The university went through the proper process, the highest bidder was recommended and the county had since submitted a different offer.

Regent Whipple observed that Vice Chancellor Klaich asked that the motion be amended to include the power for the Chancellor to sign the documents.

Regents Rosenberg and Anthony accepted the amendment.

Regent Dondero expressed her concern about the water rights and that the county was forced to negotiating everything in 30 days. She asked if that had been changed. Ms. Dewer replied no, the county made an offer and the environmental and title review would be conducted and before moving forward with closing. She suggested, in her cover letter, to potentially lease any available water rights associated with the property. Regent Dondero asked if everything had to be done in 30 days. Ms. Dewer was optimistic it could be done. Vice Chancellor Klaich clarified that the lease back of any water rights was not a contingency of the agreement and if a satisfactory resolution could not be found, the property would continue to close per the terms. Ms. Dewer suggested that if the property was sold, the water rights did not go with it, but they could be utilized with respect to the property while they were in excess of the System’s needs. Vice Chancellor Klaich explained that he had asked Ms. Dewer to make it apparent to the Board that the leasing of the water rights was not a contingency of the offer. He did not believe there was a disadvantage to the Board and there was no requirement to enter into an agreement on the water rights. He also noted that the county was under no obligation to make a quick deal in 30 days.

Regent Hill stated there was more work put on behind the scenes to get this deal done and he commended Ms. Dewer. He also thanked Pacific West. Ms. Dewer also acknowledged Pacific West.

Motion carried. Regent Alden was absent.

Regents Derby, Hill and Whipple left the meeting.

39. Approved- 2006 Board Meeting Dates and Locations - In June 2005, the Board approved its 2006 meeting dates. Discussion was held regarding a desire not to conduct a Board meeting that would interfere with the Elko Cowboy Poetry event. Subsequent to this approval, it was learned that the Cowboy Poetry event will be held January 28 thru February 4, 2006. Therefore, the previously approved February 2-3, 2006 Board meeting date will fall during this event. The Board approved reconsidering the February meeting date and to approve instead

meeting January 26-27, 2006 as originally proposed. The Board also approved the proposed meeting locations for 2006.

- • January 26-27 - CCSN - Cheyenne Campus
- • March 16-17 - UNR
- • June 8-9 - GBC
- • August 17-18 - TMCC
- • October 12-13 - DRI - Las Vegas
- • November 30-December 1 - UNLV

Regent Gallagher explained that the Board needed to rescind their prior action approving the 2006 Board meeting dates.

Regent Alden left the meeting.

Regent Rosenberg moved approval of reconsidering the February 2006 meeting date. Regent Schofield seconded. Motion carried. Regents Alden, Derby, Hill and Whipple were absent.

Regent Leavitt moved approval of the meeting dates and locations. Regent Rosenberg seconded. Motion carried. Regents Alden, Derby, Hill and Whipple were absent.

Regents Derby and Hill entered the meeting.

40. Approved-Change the Order of Voting – The Board approved the Board Development Committee recommendation that the Board of Regents, for its regular and special meetings, rotate the voting order but follow the alphabetical listing. The order would be followed for the entire meeting (*Ref. EE on file in the Board office*).

Regent Schofield moved approval of changing the order of voting. Regent Rosenberg seconded.

40. Approved-Change the Order of Voting – (*Continued*)

Regent Sisolak asked if this would apply to only general meetings or committee meetings as well. Regent Gallagher understood it was just for general meetings. Regent Leavitt stated this came from the Board Development Committee as the most effective way to preserve the voting process. Regent Rosenberg noted this had been done before but not on a regular basis. Regent Schofield felt the Board should try it.

Regent Howard called for the question.

Motion carried. Regents Alden and Whipple were absent.

Regent Whipple entered the meeting.

41. Approved-Support, Hurricane Katrina – The Board approved Chair Bret Whipple's request that the Board consider providing support to college students and/or their families as a result of Hurricane Katrina. The support could include temporary or permanent fee waivers or other forms of support for such displaced individuals.

Regent Whipple stated he had received information that institutions were already providing support and encouraged them to continue and know they have the Board's support.

Regent Schofield moved approval of providing support for those displaced by Hurricane Katrina. Regent Howard seconded.

Vice Chancellor Nichols asked to ensure the motion included the legal ability for the campuses to provide fee waiver for students. Regent Sisolak asked if this would apply to Hurricane Rita as well.

Regent Hill noted a point of order that Hurricane Rita was not included in the agenda item.

Regent Whipple answered Hurricane Rita would be addressed at a future meeting. Vice Chancellor Klaich noted that institutions had been advised to go forward in their best interests and beg for forgiveness at a later time.

Motion carried. Regent Alden was absent.

42. Approved-Cultural Diversity & Security Committee - Chair Linda Howard reported the Cultural Diversity and Security Committee met September 22, 2005 and requested Board action on the following Committee recommendations:

The Committee heard presentations from representatives of each institution on their efforts to promote the diversity of faculty, staff and students. Presentations addressed questions related to strategic planning, tracking and measurement, organizational structure, as well as specific diversity activities occurring on each campus. The Committee also addressed the need for future discussions to take place related to the status of emergency response plans at each institution in the System.

Regent Howard requested Board action on the following Committee recommendations:

➤ • Committee Charge - The Committee recommended approval of a formal charge for incorporation into the Board's Bylaws (*Title 1, Article VI, Section 3*) (*Ref. CDS-1 on file in the Board office*)

Regent Howard moved approval of the Committee recommendations and acceptance of the report. Regent Hill seconded. Motion carried. Regents Alden and Anthony were absent.

Regent Howard left the meeting.

43. Approved-Academic, Research & Student Affairs Committee - Chair Howard Rosenberg reported the Academic, Research & Student Affairs Committee met September 22, 2005 and requested Board action on the following Committee recommendations:

The Committee reviewed 1) the process for approving and reviewing new academic programs, 2) the first year comparison of actual versus estimated enrollments in new programs, 3) co-enrollment at NSHE institutions and 4) the document "Transfer Rights and Responsibilities for Students and Institutions", which outlines current practices related to transferring among NSHE institutions. This document will be posted on System and institutional websites as directed by the Board. Additionally, the Committee listened to and discussed a report on student health fees at UNLV and UNR.

Regent Rosenberg requested Board action on the following Committee recommendations:

➤ • Minutes – The Committee recommended approval of the minutes from the June 23, 2005 ARSA Committee meeting

43. Approved-Academic, Research & Student Affairs Committee – (*Continued*)

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

✓ • BAS in Digital Information Technology Emphasis, GBC (*Ref. ARSA-3 on file in the Board office*)

✓ • BAS in Agriculture Management Emphasis, GBC (*Ref. ARSA-4 on file in the Board office*)

✓ • Master of Education (Early Childhood Education), UNLV (*Ref. ARSA-5 on file in the Board office*)

✓ • Associate of Applied Science in Health Information Technology, WNCC (*Ref. ARSA-8 on file in the Board office*)

✓ • Associate of Applied Science in Convergence Technology, WNCC (*Ref. ARSA-9 on file in the Board office*)

➤ • New Unit Proposals – The Committee recommended approval of the following new unit proposals:

✓ • Department of Physiologic Nursing, UNLV (*Ref. ARSA-6 on file in the Board office*)

✓ • Department of Psychosocial Nursing, UNLV (*Ref. ARSA-7 on file in the Board office*)

- · Tech Prep/Associate Degree Program – The Committee recommended approval of a proposed joint policy statement on Tech Prep/Associate Degree Program between the State Board of Education and NSHE (*Ref. ARSA-10 on file in the Board office*)
- · Dual Enrollment Joint Policy – The Committee recommended approval of a statement in support of dual enrollment between Nevada High Schools and NSHE institutions (*Ref. ARSA-13 on file in the Board office*)
- · New Program Follow-Up Report – The Committee recommended approval of a follow-up report on enrollment and budgetary projections of all new programs (*Ref. ARSA-14 on file in the Board office*)

Regent Rosenberg moved approval of the Committee recommendations and acceptance of the report. Regent Dondero seconded. Motion carried. Regents Alden and Howard were absent

Regent Schofield left the meeting.

44. Approved-Audit Committee - Chair Douglas Roman Hill reported the Audit Committee met September 22, 2005 and requested Board action on the following Committee recommendations:

The Audit Committee heard the following reports: follow-up responses for seven internal audit reports that were presented at the April 2005 meeting; the institutional bank reconciliations are up-to-date; the Committee requested a follow-up and plan of action for the Nevada System of Higher Education Management Assistance Partnership audit report be presented at the next Audit Committee meeting; Regent Alden requested a follow-up report on the open audit recommendations noted in the Audit Exception report be presented at the next two Audit Committee meetings; and AGB publication, the Audit Committee, was distributed to the Committee members; Regent Alden requested a report on the status of the recommendations made in the publication.

Regent Hill requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the June 23, 2005 Audit Committee meeting
- · Internal Audit Reports – The Committee recommended approval of the following internal audit reports and certain actions pertaining to the reports (*Audit Summary Report*) :
 - ✓ · Management Assistance Partnership, NSHE (*Ref. A-3 on file in the Board office*)
 - ✓ · Bursar's Office, UNLV (*Ref. A-2 on file in the Board office*)
 - ✓ · Admissions and Records, CCSN (*Ref. A-4 on file in the Board office*)
 - ✓ · Child Development Center, WNCC (*Ref. A-5 on file in the Board office*)
 - ✓ · Housing, GBC (*Ref. A-6 on file in the Board office*)
 - ✓ · Mark H. Dawson Child & Family Center, GBC (*Ref. A-7 on file in the Board office*)
- · Audit Exception Report – The Committee recommended approval of the Audit Exception Report for the six months ended June 30, 2005 (*Bound Report on file in the Board office*)
- · Audit Department Work Plan – The Committee recommended approval of the Internal Audit Department work plan for the year ending June 30, 2006 (*Ref. A-16 on file in the Board office*)

Regent Hill moved approval of the Committee recommendations and acceptance of the report. Regent Gallagher seconded. Motion carried. Regents Alden, Howard and Schofield were absent.

Regent Schofield entered the meeting.

Regent Hill left the meeting.

45. Approved-Budget & Finance Committee - Chair Steve Sisolak reported the Budget & Finance Committee met September 22, 2005 and requested Board action on the following Committee recommendation:

The Budget & Finance Committee heard reports on the actual state appropriated/authorized funding available per student full-time equivalent (SFTE) enrollments for each NSHE university and college for fiscal year 2003-2004 and fiscal year 2004-2005; self supporting budget revisions for the fourth quarter of fiscal year 2005-2005; self supported operating budget transfers for fiscal year 2004-2005; NSHE Fiscal Exceptions of self-supporting budgets for the fourth quarter of fiscal year 2004-2005; transfers of non-state expenditures to state funds

after May 1, 2005 for fiscal year 2004-2005; current NSHE policies and procedures on contracts for consulting services.

Regent Sisolak requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the June 23, 2005 Budget & Finance Committee meeting
- · NSHE Self-Supporting Budget – The Committee recommended approval of the FY 2005-2006 Self-Supporting Budget (*Bound Report on file in the Board office*)
- · NSHE State Supported Operating Budget – The Committee recommended approval of the FY 2005-2006 State Operating Budget (*Bound Report on file in the Board office*)
- · State Accountability Report – The Committee recommended approval of the FY 2005-2006 State Accountability Report (*Bound Report on file in the Board office*)

Regent Sisolak moved approval of the Committee recommendations and acceptance of the report. Regent Rosenberg seconded. Motion carried. Regents Alden, Hill and Howard were absent.

46. Approved-Technology Task Force - Vice Chancellor Lee Alley reported the Technology Task Force met September 16, 2005 and requested Board action on the following Task Force recommendations:

For the past several months, the Task Force has been discussing the process and timeline for selecting vendors and issues of project funding. Vice Chancellor Buster Neel reported that the Business Officers have begun to identify possible sources of funds for the project. Over the past several months, the Cedar Consulting Group assisted in analyzing the software market and arranged vendor demonstrations. The Task Force has also been discussing software structure and how to organize software implementation.

Vice Chancellor Alley requested Board action on the following Task Force recommendation:

- · Minutes–The Task Force recommended approval of the minutes from the May 13, and June 14, 2005 Technology Task Force meetings

Regent Gallagher moved approval of the Task Force recommendations and acceptance of the report. Regent Leavitt seconded. Motion carried. Regents Alden, Howard and Hill absent.

47. Approved-Investment Committee - Chair Thalia M. Dondero reported the Investment Committee met August 24, 2005 and requested Board action on the following Committee recommendations:

The Committee discussed the following topics: the potential expanded scope of the Investment Committee to include real property issues of the System; capital market returns and valuations as of June 30, 2005; asset allocation and investment returns for the period ended June 30, 2005; asset allocation for the endowment pool and the operating pool payout. Endowment investments returned 2.6% for the quarter compared to the benchmark of 2.9% and 12.5% for the fiscal year compared to the benchmark of 10.6%. The total return for the pooled operating funds was 1.4% for the quarter compared to the benchmark of 1.6% and 7.2% for the fiscal year compared to the benchmark of 6.6%.

Regent Dondero requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the May 24, 2005 and June 23, 2005 Investment Committee meetings
- · Repeal or Rescind Prior Committee Action – Review of Asset Allocation – The Committee reconsidered the endowments allocation to inflation hedging assets and global ex-U.S. equities and recommended changes to be made
- · Operating Pool Payout – the Committee reviewed the current status of the operating fund reserve and considered changing the payout rate

Regent Dondero moved approval of the Committee recommendations and acceptance of the report. Regent

Rosenberg seconded. Motion carried. Regent Alden, Howard and Hill were absent.

Regent Sisolak asked that all chair reports be passed down to Mrs. Martinovic so they could be made part of the record.

48. Approved-Board Development Committee - Chair James Dean Leavitt reported the Board Development Committee met July 8, 2005 and August 12, 2005 and requested Board action on the following Committee recommendations:

At the July 8, 2005 meeting, the Committee discussed logistics for hosting a Board workshop including timing, locations, travel and possible topics for the agenda and an ethical code of conduct for Regents. During the August 12, 2005 meeting the Committee discussed the value of establishing a system for mentoring of new Board members, encouraging Regents to be accessible to the public through local events Board of Regents meetings, the availability of Board library resources in both the System offices.

48. Approved-Board Development Committee – *(Continued)*

Regent Leavitt requested Board action on the following Committee recommendations.

- · Minutes – The Committee recommended approval of the minutes from the July 8, 2005 Board Development Committee Meeting
- · Committee Classification – The Committee recommended the Board of Regents Bylaws be amended to add the Board Development Committee as a standing committee and to approve the Committee's charge
- · Workshop Update – The Committee recommended topics to be covered at the Workshop
- · Rotation of Roll Call Voting – The Committee recommended that the full Board adopt a policy of alternating each vote to begin with a different Regent
- · Orientation – The Committee took action to approve an agenda and date for the new Regent orientation meeting.
- · Future Projects – The Committee identified ideas for future projects
- · Calendar – The Committee determined a calendar of future meetings

Regent Leavitt moved approval of the Committee recommendations and acceptance of the report. Regent Rosenberg seconded. Motion carried. Regents Alden, Howard and Hill were absent.

Regent Whipple complimented the Committee chairs and expressed his appreciation for their hard work.

49. New Business – none noted.

The meeting adjourned at 2:20 p.m. on Friday, September 23, 2005.

Fini S. Dobyms
Interim Clerk of the Board