

**SPECIAL MEETING - VIDEOCONFERENCE**

**BOARD OF REGENTS  
NEVADA SYSTEM OF HIGHER EDUCATION**  
Conference Room, System Administration  
2601 Enterprise Road, Reno  
5550 W. Flamingo, Suite C-1, Las Vegas  
10:00 a.m., Tuesday, June 27, 2006

Members Present: Mr. Bret Whipple, Chair *{Las Vegas Site}*

Mr. Mark Alden *{Las Vegas Site}*

Dr. Jill Derby *{via telephone}*

Mrs. Thalia M. Dondero *{Las Vegas Site}*

Mrs. Dorothy S. Gallagher *{Reno Site}*

Dr. Jason Geddes *{Reno Site}*

Mrs. Linda C. Howard *{Las Vegas Site}*

Mr. James Dean Leavitt *{via telephone}*

Mr. Howard Rosenberg *{Reno Site}*

Dr. Jack Lund Schofield *{Las Vegas Site}*

Mr. Steve Sisolak *{Las Vegas Site}* }

Mr. Michael B. Wixom *{Las Vegas Site}*

Members Absent: Dr. Stavros S. Anthony

Others Present: Mr. James E. Rogers, Chancellor

Mr. Daniel Klaich, Executive Vice Chancellor

Dr. Jane Nichols, Vice Chancellor, Academic & Student Affairs

Mrs. Brooke Nielsen, Special Counsel

Mrs. Carla Henson, Director of Human Resources

Mr. Scott G. Wasserman, Secretary of the Board

Mr. Larry Eardley, NSHE

Mr. John Kuhlman, NSHE

Ms. Crystal McGee, NSHE

Ms. Marcia Turner, NSHE

Mrs. Sharon Wurm, NSHE

Dr. John McDonald, SOM

Also present were Mr. Thom Reilly Dr. Mike Reed.

Chair Bret Whipple called the meeting to order at 10:02 a.m. with all members present except Regents Anthony and Leavitt.

Regent Alden led the pledge of allegiance.

Regent Wixom offered the invocation

Regent Leavitt entered the meeting via the telephone.

Regent Whipple welcomed Regent Geddes to the Board of Regents and stated he looked forward to working with him.

1. Approved-Initial Salary, Vice Chancellor and Chief Operating Officer, University of Nevada Health Sciences Center – The Board approved Chancellor James E. Rogers’ recommendation for the initial salary for Dr. Thom Reilly as Vice Chancellor and Chief Operating Officer for the University of Nevada Health Sciences Center, pursuant to the *Board of Regents Handbook (Title 4, Chapter 3, Section 21.2)*. The proposed salary and terms of the contract were identified at the meeting (*Handouts on file in the Board office*).

Proposed Terms:

- · \$250,000 base salary.
- · August 17, 2006 start date.
- · Standard fringe benefits as provided to all NSHE employees.
- · 12-month contract with no notice of nonrenewable appointment under initial term.
- · Will teach one class in the department of Public Administration at UNLV. No additional compensation will be given for this teaching assignment.

Chancellor Rogers stated the Health Science Center is a complex organization that will require a builder and operator, as well, as someone who is politically astute. This person will have to bring the stakeholders together, as well as keep the project going in the right direction. Chancellor Rogers noted he has known Dr. Reilly for a long time, and has the support of the Governor with this appointment. Chancellor Rogers could not think of any other person better suited for this position, than Dr. Reilly. He understood the “sticker shock” of the proposed salary, but noted that they could not expect him to come on board without receiving some kind of increase over his current salary.

Regent Rosenberg clarified they were approving the recommended salary and not the hiring of Dr. Reilly. Regent Rosenberg asked if there was a position statement from which Dr. Reilly would be evaluated. Chancellor Rogers stated the job description would be determined in the next several months, but he had explained to Dr. Reilly what he anticipated the job would be. Chancellor Rogers stated the reasoning for this hiring, was because Dr. Reilly understood areas that neither himself nor Vice Chancellor Klaich understood. Regent Rosenberg asked where the Health Science Center will be located, with Chancellor Rogers noting this was a statewide project. Chancellor Rogers guessed that the majority of the private sector money would come from the South, but his intention was to find every source that was available. Regent Rosenberg asked where Dr. Reilly’s office was located with the answer being in the Southern Office. Regent Rosenberg asked if he would have staff available to him. Chancellor Rogers stated they planned to hire one additional administrative assistant to share between Dr. Reilly and Ms. Turner. Regent Rosenberg asked for Ms. Turner’s salary, with Chancellor Rogers answering \$165,000.

Regent Sisolak noted a point of order; Ms. Turner had not been noticed.

Vice Chancellor Klaich stated the agenda item was written so the Board could discuss the general position of Dr. Reilly.

1. Approved-Initial Salary, Vice Chancellor and Chief Operating Officer, University of Nevada Health Sciences Center – (*Continued*)

Regent Rosenberg asked to know what the project was going to cost in its entirety and from where the money was coming from in the System.

Regent Sisolak noted an additional point of order. He believed they were talking about the Health Science Center and not the initial salary of Dr. Reilly.

Dr. Derby entered the meeting via the telephone.

Vice Chancellor Klaich noted that Dr. Reilly was bring hired by the Chancellor, subject to Board approval, to be Vice Chancellor and Chief Operating Officer of the Health Sciences Centers. Discussions between the Chancellor and Ms. Turner predated discussions with Dr. Reilly. Although Ms. Turner will be doing work in this

area, her duties will be broader. Vice Chancellor Klaich stated at the current time the project cost would be associated with Dr. Reilly's salary. He indicated they were trying to keep the costs to an absolute minimum, before they could proceed to the Legislature. Regent Rosenberg again asked where the money was coming from.

Regent Sisolak noted a point of order. Regent Sisolak reiterated that the item did not deal with the Health Science Center, but the initial salary of Dr. Reilly. Chair Whipple asked that the point of order be addressed. Vice Chancellor Klaich pointed out that the Board has state supported and self-supporting budgets. In the past year they have had salary savings from a number of vacancies. Dr. Reilly's first year salary will be paid from funds on hand, as well as, salary savings. After the first year it would presumably be built into the budget request.

Dr. Derby was very impressed with Dr. Reilly, but was concerned that a search was not completed. Mrs. Henson reported that the Board has the ability to adopt a search waiver. A search waiver can be used when completing a search to fill the position, would not produce a better candidate to fill the position. Mrs. Henson stated the Chancellor did complete a search waiver for this position.

Regent Howard asked who Dr. Reilly would be reporting to, with the answer being the Chancellor.

Regent Sisolak asked if a search waiver was a formal process, with Chancellor Rogers indicating that he did sign a search waiver document. Regent Sisolak asked if this was done in the last week, with Chancellor Rogers noting he had been talking with Dr. Reilly for some time. Chancellor Rogers believed that Dr. Reilly was so well suited for this position, that they would not find anyone else as well equipped in a search. Regent Sisolak understood that this was a Systemwide project and because of this he did have an issue with Dr. Reilly teaching a class at UNLV. Chancellor Rogers reported that it was important to Dr. Reilly to teach part time.

Regent Wixom was concerned that there was not a description of responsibilities. He understood why there was not a description currently, but asked if it was possible in a

1. Approved-Initial Salary, Vice Chancellor and Chief Operating Officer, University of Nevada Health Sciences Center – (Continued)

short time period to put together a job description. Regent Wixom agreed with Regent Rosenberg that it was important to know what the job duties were so a fair evaluation process could be completed. Chancellor Rogers indicated that he would have one available at the August Board meeting. Regent Wixom asked how the responsibilities of this position interplay with the Governor's Commission and Task Force. Chancellor Rogers stated that the System's addition to the group will be very important in solidifying the continued relationship. It is essential to have a coordinated effort between the groups. Chancellor Rogers reported he had talked with Dr. Glick about the Health Science Center and he indicated that this would be a very complex project. Chancellor Rogers stated that both of the new president's are providing input that will be used immediately. Vice Chancellor Klaich reported there were a lot of people working on this project, and he believed that with the hiring of Dr. Reilly it would be a more coordinated effort.

Regent Alden clarified that this position was being paid with non-state funds, with Vice Chancellor Klaich responding yes. He pointed out that the reason for the non-reappointment clause was just in case the legislature said no to the project.

Regent Alden moved approval of the initial salary for Dr. Thom Reilly as Vice Chancellor and Chief Operating Officer for the University of Nevada Health Sciences Center. Regent Howard seconded.

Regent Dondero asked how this project would interface with the Medical School. Chancellor Rogers reported Dr. McDonald would continue to report to Dr. Glick. Dr. Reilly's job will be to coordinate the efforts of all the schools relating to the Health Science Center. Chancellor Rogers believed there would be a great expansion of the Medical School in Reno.

Dr. Derby left the meeting.

Regent Sisolak noted that the contract starts on August 17, 2006 and asked if he would receive a cost of living increase. Chancellor Rogers reported it was a nonrenewable contract and would not receive a cost of living increase. Regent Sisolak asked if he was receiving an expense account since he would be soliciting donors. Vice Chancellor Klaich noted that some critical aspects, such as an expense account may have been overlooked, so they would review the contract and report back to the Board.

Regent Geddes asked if there was a “buy out” clause or severance package associated with the contract, with Chancellor Rogers responding no.

Regent Gallagher clarified that salary savings were state money. Vice Chancellor Klaich stated there are vacancies in both the self-supporting and state-supported budgets. Vice Chancellor Klaich reported there was a question from Mr. Burke, on behalf of LCB to identify the exact source of funds to pay this salary. Once the information is gathered it will be presented to the Board.

1. Approved-Initial Salary, Vice Chancellor and Chief Operating Officer, University of Nevada Health Sciences Center – (Continued)

Regent Gallagher stated the Health Science Center is a very sensitive issue and she felt that the interaction between Dr. Reilly and Regent Leavitt’s Health Science Committee was missing. Chancellor Rogers indicated the two had been included in the planning process. Regent Gallagher added that she would like the Regents included in the planning also.

Vice Chancellor Klaich clarified the motion was to approve the initial salary and not the hiring of Dr. Reilly. Regent Sisolak made a friendly amendment that the motion would be subject to them coming back with a job description. Regents Alden and Howard accepted the friendly amendment. Motion carried via a roll call vote. (Regent Rosenberg voted no. Regents Anthony and Derby were absent.)

Dr. Reilly stated he was excited to be working on this great project.

Dr. Derby entered the meeting via the telephone.

2. Approved-Initial Salary, Vice Chancellor, Finance, System Administration – The Board approved Chancellor James E. Rogers’ recommendation for the initial salary for Dr. Mike Reed as Vice Chancellor for Finance, pursuant to the *Board of Regents Handbook (Title 4, Chapter 3, Section 21.2)* . The proposed salary and terms of the contract were identified at the meeting (*Handouts on file in the Board office* ).

Regent Sisolak moved approval of the initial salary for Mr. Mike Reed as Vice Chancellor of Finance for System Administration. Regent Howard seconded.

Proposed Terms:

- · \$189,000 base salary.
- · July 1, 2006 start date.
- · Standard fringe benefits as provided to all NSHE employees.
- · Standard contract as provided for all NSHE employees.
- · Maintains tenure at UNR for three years as specified in the NSHE Code , Title 2, Chapter 3.4.8.

Regent Alden stated the System was very fortunate to have Dr. Reed on board.

Chair Whipple noted for the record that the Chancellor had put together an excellent executive staff and that he looked forward to working with them in the future.

Motion carried via a roll call vote. (Regent Anthony was absent.)

2. Approved-Initial Salary, Vice Chancellor, Finance, System Administration –(Continued)

Dr. Reed thanked the regents for the vote of support and stated it was his intention to make sure that the Nevada System of Higher Education is able to grow and grow well to fit a dynamic Nevada.

3. Public Comment – None.

Regent Geddes left the meeting.

4. New Business – Regent Dondero requested a special meeting to discuss policy issues relating to the UNLV Dental School. Regent Sisolak requested the OEC Program and the Institute for Security Studies be added to the special meeting agenda.

Regent Sisolak clarified that the special meeting will cover three items including, the Dental School issue, OEC funding and the investigation of the Institute for Security Studies.

Regent Wixom understood that no appeal was pending in respect to any of the actions taken at the Dental School. He clarified that they were not discussing the specifics of the actions taken, but the policy issues leading up to the incident.

Regent Geddes entered the meeting.

Chair Whipple stated the report had been presented to the Regents relating to the Dental School. He stated that a special meeting would be called, but that the specificities of that meeting needed to be set, so individuals could be noticed. Regents Dondero and Sisolak clarified that they wanted to review policies at the special meeting not the actions taken in the report.

Chancellor Rogers pointed out that an investigation relating to the Institute for Security Studies was being completed. Regent Sisolak felt that the three issues were not going away and wanted to make sure that Regents were included in the process.

Regent Howard asked if the dental students would be allowed to speak, with Chancellor Rogers answering no, that the discussion would pertain to the policy issues of informing the Chancellor and the Regents about what is happening on the campuses, prior to hearing about it in the press.

Regent Rosenberg left the meeting.

4. New Business – (Continued)

Regent Howard wanted to make sure that the students would be able to speak under public comment if they chose to. Chair Whipple asked that the agenda items be drafted as broadly as possible to make sure there is a full discussion, without having point of orders. Regent Alden also requested that the agenda items be drafted as “Information/Action”.

Regent Rosenberg entered the meeting.

Vice Chancellor Klaich stated he would spend considerable time drafting the agenda items, to make sure that all principle players were noticed if appropriate. Regent Sisolak asked if Senator Reid should be noticed. Regent Alden asked if the Regents could see a draft of the agenda prior to its release. Vice Chancellor Klaich stated it was a good suggestion. Chair Whipple requested a draft of the agenda be sent to all Regents prior to its release. Vice Chancellor Klaich noted that because this was not a normal process he would be notifying the Attorney General of the process they were taking.

Regent Howard asked that input from administrators and students be heard prior to the consideration of policy changes.

The meeting adjourned at 11:11 a.m.

Scott G. Wasserman  
Secretary of the Board of Regents