

BOARD OF REGENTS

NEVADA SYSTEM OF HIGHER EDUCATION

Fitness Center
Great Basin College
1500 College Parkway, Elko
Thursday-Friday, August 17-18, 2006

Members Present: Mr. Bret Whipple, Chair

Mr. Mark Alden

Dr. Jill Derby

Mrs. Thalia M. Dondero

Dr. Jason Geddes

Mr. James Dean Leavitt

Mr. Howard Rosenberg

Dr. Jack Lund Schofield

Mr. Steve Sisolak

Mr. Michael B. Wixom

Members Absent: Dr. Stavros S. Anthony

Mrs. Dorothy S. Gallagher

Mrs. Linda C. Howard

Others Present: Chancellor James E. Rogers

Executive Vice Chancellor Daniel Klaich

Vice Chancellor & Chief Operating Officer, HSC, Thom Reilly

Vice Chancellor, Academic & Student Affairs, Jane Nichols

Vice Chancellor, Finance, Mike Reed

Associate Vice Chancellor, Technology, Kenneth McCollum

Chief Counsel Bart Patterson

Special Counsel Brooke Nielsen

President Richard Carpenter, CCSN

President Stephen G. Wells, DRI

President Paul T. Killpatrick, GBC

President Fred Maryanski, NSC

President Philip M. Ringle, TMCC

President David B. Ashley, UNLV

President Milton D. Glick, UNR

President Carol Lucey, WNCC

Secretary of the Board Scott Wasserman

Also present were faculty senate chairs Mr. Alok Pandey, CCSN; Dr. Hampden Kuhns, DRI; Dr. Linda Uhlenkott, GBC; Dr. Jean Lindley, NSC; Mr. Kurt Hall, TMCC; Dr. William Robinson, UNLV; Dr. Guy Hoelzer, UNR; Dr. Michelle Rousselle, WNCC; and Ms. Annie Macias, System Administration. Student government leaders present included Ms. Carrie Rowley, GBC; Mr. Lee Massey, TMCC; Mr. Jeff Panchavinin, UNLV; Mr. Frederick Krauss, UNLV-GPSA; Mr. Jeff Champagne, UNR; Ms. Rebecca Bevans, UNR-GSA; and Mr. Dennis Mankel, WNCC.

Chair Bret Whipple called the meeting to order at 1:32 p.m. on Thursday, August 17, 2006, with all members present except Regents Anthony, Gallagher and Howard.

Regent Geddes led the pledge of allegiance.

Mr. Douglas Roman Hill offered the invocation.

1. Oath of Office – The Honorable Andrew Puccinelli administered the oath of office to Dr. Jason Geddes, the Governor's recent appointment to replace former Regent Douglas Roman Hill who resigned.

2. Introductions – Chair Whipple introduced Dr. Mike Reed, Vice Chancellor for Finance-System Administration.

President Maryanski introduced Mr. Buster Neel, Vice President, Business and Finance-NSC.

Chair Whipple thanked Mr. Kevin Hutchins, A/V Technician-UNR, for providing audio assistance for the Board meeting.

3. Chair's Report – As part of the Chair's report, Chair Bret Whipple requested that the President of each hosting institution 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.

President Killpatrick introduced Ms. Carrie Rowley, Student Body President-GBC, and a second-year nursing student in the Associate of Applied Science RN program at Great Basin College. In June, Ms. Rowley visited a clinic in South Africa as part of the International Scholar Laureate Program. Miss Rowley was one of 68 students from across the United States, and the only one from Nevada, who spent three weeks observing the South African healthcare system. The experience changed her completely. She learned what is required to become a nurse as well as a student. She advised meeting participants to take advantage of every opportunity and to make a choice to be involved for the benefit of students. After returning to GBC in July, Ms. Rowley assumed the role of Student Body President and continued her presidency of the Phi Theta Kappa Honor Society. She is looking forward to a busy semester in the nursing program. President Killpatrick noted that Ms. Rowley was recently recognized as a New Century Scholar representing the State of Nevada and Great Basin College at the American Association of Community Colleges in Long Beach, California.

President Killpatrick then introduced Mr. Bret Murphy, Dean of Applied Sciences-GBC. Mr. Murphy started with GBC in 1984 as the Diesel Technology instructor. He taught all aspects of that discipline until April of 2005 when he accepted the position of Dean of Applied Sciences. Currently, he oversees the Career and Technical Education programs and the Computer Office Technology and Business programs. Mr. Murphy has a bachelor's degree from Montana State University Northern and a master's degree from UNR in Educational Leadership. Mr. Murphy provided a brief history of GBC's Technical Education programs and workforce development, which include: Diesel

3. Chair's Report – (Cont'd.)

Technology, Welding, Electrical, Instrumentation and Industrial Plant Mechanics. GBC's cooperation and partnerships with industry led to an accelerated 48-week program allowing students to obtain an associate in applied science degree or a one-year certificate of achievement. Students may also elect to complete only the technical courses for an acknowledgement of completion certificate. Another result of these partnerships was the Manpower Training Cooperative scholarships. In 1994, industry recognized the need for trained technicians. The mining industry and other mining-related industries contributed \$3,000 scholarships to encourage students to pursue training. Since then, over 1,300 students have taken advantage of \$3.9 million in scholarships funded by industry for these programs. The scholarships were recently increased to \$5,000 per student. Internships and signing bonuses are also offered. With the current price of gold at \$630/oz., the mining industry is in rapid expansion resulting in lower enrollments at GBC, especially in the technical programs. Technical courses are now offered to help unskilled labor become more proficient in their jobs with the mining industry. Currently, companies desire "smart" training, a comprehensive testing for Recognized Prior Learning (RPL). Based on the Australian and Canadian standards, employees in the mining industry will be tested to discover in which areas their skills are lacking and GBC will provide customized training for those skills. The mining industry will provide support for these initiatives. GBC expects to become a Regional Mine Training Center providing all aspects of mining training.

Chair Whipple recognized former Regent, Mr. Douglas Roman Hill, who recently resigned from the Board of Regents. Chair Whipple thanked Mr. Hill for his service to the NSHE. He then presented Mr. Hill with a framed copy of Chair Whipple's favorite poem, *Evictus* .

Chair Whipple thanked President Killpatrick for hosting the meeting and for the personalized pens provided to each Regent.

4. Chancellor's Report - Chancellor James E. Rogers discussed current NSHE events, the Health Sciences Center, and his other projects as Chancellor.

Chancellor Rogers reported that he was considering the job description for the Vice Chancellor of the Health Sciences Center. The Chancellor's office is reviewing the curriculum of all eight institutions to determine existing pockets of excellence relating to the health sciences that can be integrated with the rest of the System. Efforts have begun to focus upon more specific plans for the expansion of the health science project. Chancellor Rogers met with the mayor regarding the Lou Ruvo Alzheimer's Center, which is located on 61 acres in downtown Las Vegas, previously inaccessible to the System. This acreage includes approximately 8 acres that would be used for medical facilities including the 2½ acres for the Alzheimer's project. The Chancellor plans to begin the basic design for a building to be located adjacent to the Alzheimer's project that will address all medical issues related to aging problems. Chancellor Rogers has spoken with President Glick and Dean John McDonald regarding plans involving UNR, since this project will involve a major increase in the number of medical students produced (*from 52 to 100 students per year*) . This major project will require support from the private sector. Chancellor Rogers hopes to raise between \$300-\$400 million from the

4. Chancellor's Report – (*Cont'd.*)

private sector for this purpose. He views this as the most important project not only for the education system but for the people of the State of Nevada. He hopes to improve Nevada's ability to respond to the medical needs of its communities. The key to success is the strength of the individuals involved. He praised the quality of Dr. Thom Reilly, who will serve as the Vice Chancellor and Chief Operating Officer for the University of Nevada Health Science Center.

5. Public Comment – Regent Geddes noted that his father and brother are both employed by UNR. Upon appointment, he requested a legal opinion for how this relationship would impact his duties as Regent. He read a statement into the record establishing that he would participate in the discussion of and vote upon matters that come before the Board since there is no personal benefit to him, his relatives at UNR, or his employer, EDAWN and any resulting benefit or detriment would not be greater than that occurring to any other member of the general business, profession, occupation or group, and his judgment on such matters was not materially affected by these relationships. He said he would notify the Board if he felt there were any areas of concern.

6. Approved-Consent Agenda – The Board approved the Consent Agenda with the exception of items #5 (*Handbook Revision, Residency for Tuition Purposes*) and #6 (*Handbook Revision, Use of Technology Fee*) , which were approved separately:

Regent Sisolak requested that item #8 (*Capital Improvement Request, TMCC*) be considered separately. Regent Wixom requested that item #5 (*Handbook Revision, Residency for Tuition Purposes*) be considered separately.

(1) Approved-Minutes – The Board approved the minutes from the Board meeting held January 26-27, 2006 (*Ref. C-1a*) , the Board Development Committee meeting held March 17, 2006 (*Ref. C-1b*) , the Board Secretary Search Committee meeting held April 6, 2006 (*Ref. C-1c*) , the UNR President Search Committee meeting held April 7, 2006 (*Ref. C-1d*) , the UNLV President Search Committee meetings held April 28, May 3, May 10, and May 18, 2006 (*Ref. C-1e, Ref. C-1f, Ref. C-1g, Ref. C-1h*) , and the Special Board meetings held April 24 (2 sets) , April 26, and June 27, 2006 (*Ref. C-1i, Ref. C-1j, Ref. C-1k, Ref. C-1l* ; *all minutes on file in the Board office*) .

(2) Approved-Contract Approval, Rehire PERS Retiree, UNLV – The Board approved UNLV President David B. Ashley's request to rehire P.E.R.S. retiree Gene Butler as a visiting faculty member for the 2006-07 academic year (*Ref. C-2 on file in the Board office*) .

(3) Accepted-Annual Reports of Tenure Granted to Academic Faculty Upon Hire – The Board accepted the annual reports to the Board of Regents from the Presidents of each institution naming any individual to whom tenure upon hire was granted pursuant to the provisions of Title 2, Chapter 3, Section 3.3.1(b2) (Ref. C-3 on file in the Board office) .

Section 3.3.1(b2) provides that the President of an institution, without seeking Board of Regents' approval, may grant tenure upon hire to an academic faculty member who at the time of hire holds tenure at another institution. Prior to making such an appointment, the President shall seek a recommendation from the appropriate faculty on whether an academic faculty member should be appointed with tenure. The President of each institution shall submit an annual report

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

(3) Accepted-Annual Reports of Tenure Granted to Academic Faculty Upon Hire – (Cont'd.)
to the Board of Regents which shall include the name of any individual to whom tenure upon hire was granted, the department within which the individual was hired, and whether the faculty of such department voted to approve such tenure upon hire. This report shall be presented to the Board of Regents at the first meeting of the Board after the beginning of each fiscal year.

(4) Approved-Handbook Revision, Tuition for Certain Members of the Armed Forces – The Board approved Vice Chancellor Jane Nichols' request that the provisions of Board policy concerning tuition for members of the Armed Forces of the United States (*Title 4, Chapter 15, Section 3*) be clarified to provide that Marines stationed at the Marine Corps Mountain Warfare Training Center (MCMWTC) and their families will not be subject to out-of-state tuition charges. At the June 2006 meeting, the Board approved a policy to provide that Marines stationed at the MCMWTC shall not be subject to non-resident tuition. In an effort to avoid confusion, an amendment to the policy was recommended to clarify that families of the aforementioned Marines are also exempt from non-resident tuition charges (Ref. C-4 on file in the Board office).

(7) Approved-Capital Improvement Request, CCSN – The Board approved CCSN President Richard Carpenter's request for the use of \$175,000 in Capital Improvement Fee funds to install two (2) 2" water meters as a separate irrigation line is needed to provide adequate flow to buildings on the Henderson Campus (Ref. C-7 on file in the Board office) .

(8) Approved-Capital Improvement Request, TMCC – The Board approved TMCC President Philip M. Ringle's request for the use of \$190,000 in Capital Improvement Fee funds to improve signage on the Dandini campus throughout the Red Mountain Building and the exterior areas (Ref. C-8 on file in the Board office) .

(9) Approved-Capital Improvement Request, WNCC – The Board approved WNCC President Carol Lucey's request for the use of \$212,138.75 in Capital Improvement Fee funds for the following projects (Ref. C-9 on file in the Board office) :

- · Remodel space currently utilized by the Sedway Café. \$27,000.00
- · Redesign and replace existing grease interceptor in the Sedway Café. \$29,638.75
- · Remodel space known as Sarah Winnemucca Hall. \$120,500.00
- · Replace carpet and Tedford property improvement/cleanup

(Fallon campus) . \$35,000.00

TOTAL: \$212,138.75

Regent Alden moved approval of the Consent Agenda with the exception of items #5 (*Handbook Revision, Residency for Tuition Purposes*) and #8 (*Capital Improvement Request, TMCC*) . Regent Wixom seconded. Motion carried. Regent Rosenberg abstained. Regents Anthony, Gallagher and Howard were absent.

Regent Sisolak observed that he had intended to remove item #6 (*Handbook Revision, Use of Technology Fee*) rather than item #8.

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

Regent Sisolak moved approval of reconsidering approval of the Consent Agenda. Regent Wixom seconded. Motion carried. Regent Rosenberg abstained. Regents Anthony, Gallagher and Howard were absent.

Regent Wixom moved approval of the Consent Agenda with the exception of items #5 (*Handbook Revision, Residency for Tuition Purposes*) and #6 (*Handbook Revision, Use of Technology Fee*). Regent Sisolak seconded. Motion carried. Regent Rosenberg abstained. Regents Anthony, Gallagher and Howard were absent.

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CONSENT AGENDA ITEMS CONSIDERED SEPARATELY:

(6) Approved-Handbook Revision, Use of Technology Fee – The Board approved Vice Chancellor Mike Reed’s request for a revision to Board policy (*Title 4, Chapter 10*) specifying the manner in which the technology fee (\$4 per credit hour) may be expended (Ref. C-6 on file in the Board office).

Regent Sisolak stated the technology fee had been instituted during one biennium when the System did not receive any legislative funds for technology. He recalled the intent was to install computers in certain areas that had none. He felt they had deviated from that purpose and questioned the use of the technology fee.

Chair Whipple asked whether all institutions employed this fee and whether the Budget & Finance Committee should address the matter. Regent Sisolak replied that they did and that he wanted to discuss the matter because he no longer knew what the fee was used for. He recalled there had been serious consideration given to sunset the fee. Regent Rosenberg agreed, adding that the Board had failed to consider that it was not a one-shot expense and that computers need to be periodically replaced. He recalled that the students had supported the fee due to the compelling need.

Mr. Jeff Champagne, Student Body President-UNR, stated that UNR employs a committee to determine how the technology fee funds will be used. This year, the funds were used to replace computers not on a refresh schedule, classroom projectors and expensive software packages for students. He felt the purchases were legitimate and worthwhile and that he still saw value in the fee. Regent Rosenberg asked whether the students still saw value in the fee. Mr. Champagne replied that he believed that they did. He said it was important for students to have current software and wireless access.

Regent Sisolak observed that most students currently have laptops and that the fee could amount to \$500 over the course of a student’s career. Mr. Champagne agreed that many students have laptops. Students typically use the computer labs to gain access to advanced software packages they cannot afford to buy themselves.

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY:

(6) Approved-Handbook Revision, Use of Technology Fee – (*Cont’d.*)

Mr. Jeff Panchavinin, Student Body President-UNLV, supported the technology fee, noting that UNLV’s computer labs are not opened long enough. He felt that UNLV’s Vice Provost for Technology, Dr. Lori Temple, had done a great job of ensuring the money is used for the areas of highest need. Student senators participate on the committee that determines the use of these funds. He felt the fee truly benefits students, noting that many students cannot afford their own personal laptop.

Regent Sisolak said he was not advocating for terminating the fee. He was concerned that the state would stop funding IT, which appears to have happened. He suggested the System request matching funds for the technology fee.

Regent Wixom asked who controls how the money is spent and on what it is spent. President Ringle replied that TMCC has a committee that includes student representation that decides how the money will be allocated to technology. President Carpenter said that CCSN also employs a committee to set the priorities that is dominated by faculty but also includes student representation. Regent Wixom said he had received some feedback that the institutions are not configured so that they are technology-friendly (*e.g., sufficient electrical outlets, wireless access*). He asked whether the technology fee addressed such issues. President Carpenter replied that it differed by institution. A \$4 per credit fee is charged by every institution. However, different FTE generates significantly

different amounts of money. CCSN has never had wireless, but will by December. Part of these fees help pay for that. Regent Wixom expressed concern for spending such fees for capital improvements (e.g., sufficient electrical outlets, wireless access), rather than for software, computer labs and services that immediately benefit the students.

Executive Vice Chancellor Klaich stated that when the business officers initially devised this definition, the capital question was specifically addressed. There was a difference of opinion from the campuses on this subject. When crafting the definition, staff intended to exclude capital expenditures, however there are differences of opinion regarding what does or does not comprise a capital expenditure. The intent of the definition was for students to be able to see services coming back for money going in. Staff did not want this to become something that would not provide benefits for students for many years. The budget includes a \$15 million request for equipment and technology across the System. He said they would make it clear to the Legislature that the students have borne their share of the burden and that the System is requesting a fair share of state support. He noted that student voices carry a lot of weight with the Legislature and their assistance during the upcoming session would be greatly appreciated.

Chair Whipple directed that additional questions regarding this matter be addressed by the Budget & Finance Committee.

Regent Sisolak observed there are times when money can be leveraged in different ways, which was not done with this money. The state reduced their amount of funding. He hoped the state would share in this expense. He was troubled that the burden was shifted from the state to the students.

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY:

(6) Approved-Handbook Revision, Use of Technology Fee – (Cont'd.)

Regent Wixom did not want this to become a precedent for funding capital improvements. He felt it was not appropriate for students to fund capital improvements. He felt the technology fee should be used in such a manner that students see immediate benefit and that it not be used as a long-term source of revenue.

Chair Whipple directed Regent Alden to confer with Regents Sisolak and Wixom to determine whether the item should be returned for Committee consideration.

Regent Sisolak moved approval of the *Handbook* revision concerning use of the technology fee. Regent Wixom seconded. Motion carried. Regent Rosenberg abstained. Regents Anthony, Gallagher and Howard were absent.

(5) Approved-Handbook Revision, Residency for Tuition Purposes – The Board approved Vice Chancellor Jane Nichols' request for a revision to the *Handbook* provisions governing residency for tuition purposes (*Title 4, Chapter 15, Section 4*). The proposed revisions align Board policy with current practice to provide that a student who graduates from a Nevada high school will be considered a resident for tuition purposes (Ref. C-5 on file in the Board office).

Regent Wixom requested an explanation. Vice Chancellor Nichols clarified that all graduates from a Nevada high school qualify to attend a NSHE institution without paying out-of-state, non-resident fees. Only out-of-state students pay tuition. The revision ensures that a graduate of a Nevada high school is considered a resident.

Regent Wixom moved approval of the *Handbook* revision concerning residency for tuition purposes. Regent Derby seconded. Motion carried. Regent Rosenberg abstained. Regents Anthony, Gallagher and Howard were absent.

7. Approved-Multi-Year Employment Contract, Women's Head Basketball Coach, UNR – The Board approved UNR President Milton D. Glick's request for a multi-year employment contract for the University of Nevada, Reno's women's head basketball coach, Kim Gervasoni (Ref. A on file in the Board office).

President Glick stated that both the women's basketball and volleyball coaches had excellent years. Their previous contracts expire annually. It was now felt that they deserve a three-year contract, consistent with many

other UNR coaches. No salary adjustment was recommended.

Regent Alden moved approval of the multi-year employment contract for UNR women's head basketball coach, Kim Gervasoni. Regent Derby seconded.

7. Approved-Multi-Year Employment Contract, Women's Head Basketball Coach, UNR
(Cont'd.)

Regent Sisolak observed that the contract was not included in the agenda materials. President Glick offered to provide a list of highlights. Chancellor Rogers clarified that it was not a new contract, but rather an extension of the existing one previously approved by the Board. Mr. Ron Zurek, Vice President, Finance-UNR, stated there was not a separate contract. The agenda reference material included a Personnel Action Form (PAF), which itemized the contract terms as described in the Briefing Paper. He said that everything related to this obligation was included on the PAF.

Special Counsel Brooke Nielsen stated that Ref. B, page 4 included the actual form contract document that is used throughout the System; the terms of employment for faculty. She said that was the actual contract and not to be confused with the supplemental, longer versions used for some other coaches.

Regent Sisolak recalled that, in the past, when the Board approved a coach's contract, a thick contract was usually handed out. He said he would no longer approve such contracts without being provided time to review them. He asked whether the Board was only approving the PAF. Chair Whipple clarified that they were.

Regent Sisolak asked about a clause concerning payment at the discretion of the employer. Mr. Zurek replied that it was a self-supporting program and the employer may not have the money. Regent Sisolak asked who decides which coaches receive such payments. Mr. Zurek replied that was a decision for the athletic director in consultation with the President. The term, "discretion" merely provides the necessary flexibility to address budget realities.

Regent Sisolak wanted to ensure fairness for everyone and that women's and men's coaches were treated equally.

President Glick offered to remove the word, "discretion" from the contract. Regent Sisolak felt that would suffice, adding that he did not want this to be a gender issue. Chair Whipple requested that the contract be amended to remove the discretionary provision.

Regent Wixom said he did not want to remove the option to provide bonuses for successful post-season play. He asked how the bonus would be paid if the funds were not available. Regent Sisolak felt the institution would find the necessary funds for any coach successful enough to be approaching post-season play. Regent Rosenberg suggested the boosters could help alleviate such a problem. Regent Wixom observed that being successful did not necessarily generate gate revenue. Regent Sisolak clarified that this was the first time he had seen the word, "discretion" used in a contract. The men's coaching contracts specifically identify how much is paid for reaching certain levels of extended play. He wanted the women's coaches to be treated the same as the men's.

President Glick assured Board members that the institution would arrange to find the necessary finances.

7. Approved-Multi-Year Employment Contract, Women's Head Basketball Coach, UNR
(Cont'd.)

Amendment to the motion to remove the discretionary clause was accepted by Regents Alden and Derby. Motion as amended carried. Regents Anthony, Gallagher and Howard were absent.

8. Approved-Multi-Year Employment Contract, Women's Head Volleyball Coach, UNR – The Board approved UNR President Milton D. Glick's request for a multi-year employment contract for the University of Nevada, Reno's women's head volleyball coach, Devin Scruggs (Ref. B on file in the Board office).

Regent Alden moved approval of the multi-year employment contact for UNR women's head volleyball coach, Devin Scruggs with an amendment to remove the discretionary clause. Regent Rosenberg seconded.

Regent Geddes commended Coach Scruggs for building a great program while simultaneously increasing the team GPA significantly.

Motion as amended carried. Regents Anthony, Gallagher and Howard were absent.

9. Approved-Appointment with Tenure, Approval of Starting Salary in Excess of Salary Schedule Maximum, UNR – The Board approved UNR President Milton D. Glick's request for the appointment with tenure of Daniel Goodenberger, M.D., to the University of Nevada School of Medicine, pursuant to Board of Regents policy (*Title 2, Chapter 3, Section 3.3.1(b1)*), which specifies that Board approval is necessary only in circumstances where the faculty member is not tenured at another institution. Pursuant to Board policy the Board also approved President Glick's request for Dr. Goodenberger's starting salary in an amount in excess of the salary schedule maximum (*Ref. Con file in the Board office*).

Regent Alden moved approval of the appointment with tenure and a starting salary in excess of the salary schedule maximum for Dr. Daniel Goodenberger. Regent Derby seconded.

Regent Sisolak expressed concern regarding the impact to the morale of existing employees working within the salary schedule. Dr. John McDonald, Vice President Health Sciences-UNR and Dean, University of Nevada School of Medicine, expressed a need to be sensitive to the market when recruiting talent. The School of Medicine uses data from the American Association of Medical Colleges' salary survey in addition to providing compensation for performance (*administrative, clinical or research-driven*). He acknowledged concerns for issues regarding inequity, adding that concerted effort is made to ensure that individuals of the same rank, performing the same job are compensated by the same pay scale. He said they were not sliding Dr. Goodenberger in at a level that was significantly higher than his peers.

9. Approved-Appointment with Tenure, Approval of Starting Salary in Excess of Salary Schedule Maximum, UNR – (*Cont'd.*)

Chancellor Rogers felt the recommended salary was commensurate with the marketplace, adding that Dr. Goodenberger is a leader in the industry. Regent Sisolak said he wanted to ensure the current faculty is treated fairly. Dean McDonald stated that the School of Medicine conducts annual salary comparisons to ensure that equity is maintained. Chancellor Rogers explained that in order to be competitive they must hire people at the market rate and make adjustments for existing employees who may be underpaid.

Motion carried. Regents Anthony, Gallagher and Howard were absent.

10. Approved-Authorization to Hire Above the Maximum Salary Schedule for Nursing, UNLV – The Board approved UNLV President David B. Ashley's request to hire five (5) faculty members for the School of Nursing with salaries exceeding the current range, commensurate with their respective ranks (*Ref. Don file in the Board office*). The five faculty hires would cost an additional \$72,889.

Regent Alden moved approval of hiring five faculty members for UNLV's School of Nursing with salaries exceeding the current maximum salary schedule. Regent Sisolak seconded.

Regent Rosenberg asked whether it would be better to do something allowing others to have the same capability. Chancellor Rogers presumed that similar requests would be made for other institutions. He said they would ask the Legislature for additional funding for these programs in order to increase the number of graduates.

Executive Vice Chancellor Klaich stated that as a result of circumstances on one campus relating to morale, equity and the issues that can be raised by the implementation of hard-to-hire policies, the Chancellor appointed a System-wide committee on nursing last Spring. One issue being addressed is internal salary equity and proper policies for salary equity between the institutions. The committee's agenda was somewhat hijacked by the

legislative mandate for doubling the nursing output. That committee still intends to address this issue. UNLV previously submitted an agenda item to change the salary schedule for nursing at UNLV, which was withdrawn so staff could address it on a more global basis. In order to fill key faculty positions, this request was necessitated. He said that staff was supportive of such requests on an ad hoc basis as long as the ability is retained to review System-wide nursing salaries, nursing programs, articulation and curricula.

Regent Rosenberg observed that several institutions had nursing programs. Executive Vice Chancellor Klaich said the committee included representation from every campus. Chancellor Rogers related that the impact of doubling the nursing output for CCSN was devastating. He promised that the other institutions would also be addressed.

10. Approved-Authorization to Hire Above the Maximum Salary Schedule for Nursing.

UNLV – (Cont'd.)

Regent Sisolak recalled that representations were made that nursing faculty are in such short supply it is driving up the price of faculty. Executive Vice Chancellor Reilly believed that representation was made. Regent Sisolak expressed concern for allowing one institution to pay more than another and the impact it would have on hiring for the other institutions. President Carpenter agreed it was an issue. He said that Vice Chancellor Nichols had agreed to convene the southern Nevada Presidents to discuss this issue. There is currently a \$30,000/year difference in what CCSN can pay nursing faculty versus what UNLV can pay. The largest nursing program in the state is forced to pay the lowest nursing salaries. CCSN turned away more students than were accepted because they could not hire sufficient faculty. The salary range is not in the market. He thought they would return with a proposal that provides a little more flexibility. He said they were trying to avoid internal competition by constantly increasing salaries. This specific request is intended to address a specific hiring instance at UNLV. The Presidents hope to arrive at a System-wide solution.

Chancellor Rogers said the Legislature has mandated the System double the nursing output. System staff intends to notify the Legislature that the mandate will not be met without sufficient funding from the state. He felt the arguments being made were pertinent and they would be conveyed.

Regent Sisolak said he did not want one institution bidding against another and that the Legislature should be aware of the additional costs.

Regent Wixom observed that the budget request does not include funds for aligning faculty salaries with industry nursing salaries. He asked how this request related to the budget request and the Health Sciences Center. Chancellor Rogers replied that a market analysis was being performed regarding what needs to be paid at UNLV. He did not feel that would be prejudicial to anything else moving forward.

Executive Vice Chancellor Klaich stated that UNLV is responding to the need to fill out its nursing faculty. He acknowledged that it would import data into the System that would have an impact on subsequent decisions. He said that staff will return with information to enable the Board to make data-driven decisions. Currently, a salary survey is being conducted that compares NSHE salaries with industry salaries so the Board can determine whether adjustments are necessary. Additional surveys are being conducted by the human resources officers regarding how the institutions are doing in recruiting nurses without competing against one another.

Regent Wixom said he did not want to do something that would interfere with efforts in other areas. He said he felt better with the information provided.

Regent Dondero noted a large movement of nurses throughout the System and in private industry. She felt the Board should consider the survey results.

Regent Rosenberg urged that the Board not overlook UNLV's request, which would also immediately impact UNR and the other nursing institutions.

10. Approved-Authorization to Hire Above the Maximum Salary Schedule for Nursing.

UNLV – (Cont'd.)

Regent Leavitt felt they needed to find the necessary funds to pay competitive wages, adding they were enhancing the value of each student's education. He suggested consideration of a Board policy establishing that competitive salaries be paid.

President Ashley thanked Chancellor Rogers and the Vice Chancellors for their support. He said the request for these salaries had been analyzed carefully and were market driven. None of these five individuals came from other NSHE institutions. Each nursing institution requires greater flexibility if they are to double the nursing output. The survey needs to be completed quickly since the institutions are severely handicapped without the ability to meet market expectations.

Regent Schofield felt it was important to back the program and have the courage to move forward.

Motion carried. Regents Anthony, Gallagher and Howard were absent.

The meeting recessed at 3:00 p.m. and reconvened at 3:18 p.m., on Thursday, August 17, 2006, with all members present except Regents Anthony, Gallagher, and Howard.

Regent Derby acknowledged President Glick for rapidly addressing Regent Sisolak's concerns regarding the differences in the female coaches' contracts.

11. Approved-Vice Chancellor and Chief Operating Officer, University of Nevada, Health Sciences Center, Position Description and Host Account – The Board approved the following:

- · The Board approved the Health Sciences Center Committee recommendation regarding the position description for Dr. Thom Reilly as Vice Chancellor and Chief Operating Officer for the University of Nevada Health Sciences Center.
- · The Board approved Chancellor James E. Rogers' request for the establishment of a \$5,000 host account for Dr. Thom Reilly, Vice Chancellor and Chief Operating Officer of the University of Nevada Health Sciences Center.

Regent Alden moved approval of the position description and the establishment of a \$5,000 host account for Chief Operating Officer for the University of Nevada Health Sciences Center, Dr. Thom Reilly. Regent Dondero seconded. Motion carried. Regents Anthony, Gallagher and Howard were absent.

Regent Sisolak left the meeting.

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12. Approved-Handbook Revision, Energy and Sustainability Policy – The Board approved Vice Chancellor Mike Reed's proposed addition to the Board policy on energy and sustainability (*Title 4, Chapter 10, new Section 26*). Specifically, the recommendation provides

12. Approved-Handbook Revision, Energy and Sustainability Policy –(Cont'd.)

for the development of procedures and guidelines applicable to all NSHE institutions regarding a Leadership in Energy and Environmental Design building rating system or an equivalent standard adopted by the Director of the Office of Energy, energy and water conservation, and alternative methods of transportation. The procedures and guidelines developed must be approved by the Board of Regents (*Ref. E on file in the Board office*).

Regent Alden moved approval of the Handbook revision providing for the development of procedures and guidelines applicable to all NSHE institutions regarding an energy and sustainability policy. Regent Derby seconded.

Regent Derby recalled that UNR students originally raised the issue of green buildings, LEED certification and what kind of policy might be possible. At the time, Regent Derby requested that a System policy be developed and that the Board be apprised of what progress has been made System-wide. She felt this was an opportunity for the Board to adopt a policy that can make a positive difference in terms of the environment and energy

efficiency.

Vice Chancellor Reed acknowledged office staff for being so supportive during his brief time with the System. He clarified the request entailed adoption of a policy mandating green activity for buildings and the development of detailed guidelines and procedures concerning green building, energy and water conservation and alternative methods of transportation. He proposed the following change to the language submitted: “2. *The procedures and guidelines developed under subsection 1 must be approved by the Board of Regents.*”

Additionally, Vice Chancellor Reed requested that the business officers begin to develop guidelines and metrics that would take specific stances to building a series of measurable benchmarks.

Regent Alden and Derby accepted the modifications.

Regent Geddes said he was very supportive of this item. He noted the campuses are facing increasing energy costs and this policy addresses the energy savings that could be achieved with certain designs. He noted that energy and water upgrades and solid waste handling had a direct impact on efforts to enhance operational efficiencies. He encouraged the business officers and Vice Chancellor Reed to consider metrics that are not as quantifiable (*e.g., employee absenteeism, employee satisfaction and improved test scores in the buildings under consideration*).

Regent Dondero felt the matter should be addressed by the Investment Committee, which also handles properties. Chair Whipple said there was only benefit from additional review. He directed Regent Geddes to speak with Regent Derby and to have the Investment Committee review the matter prior to full Board consideration.

12. Approved-Handbook Revision, Energy and Sustainability Policy –(Cont'd.)

Regent Derby expressed appreciation for the background material concerning campus accomplishments. She was pleased that performance metrics were being developed so the Board could see any progress. She asked how the LEED standards were being incorporated. Vice Chancellor Reed replied there are several levels of ratings (*basic certification, silver, gold and platinum*), which become goals as well as cost concerns. The data must be reviewed to determine what makes the most sense for the System in developing the metrics. He said the metrics would be presented to the Board.

Vice Chancellor Reed also requested a modification to subsection 1a following the words, “equivalent standard”:

“adopted by the Director of the Office of Energy;”

Amendments accepted by Regents Alden and Derby. Motion carried. Regents Anthony, Gallagher, Howard and Sisolak were absent.

13. Approved-Handbook Revision, Reduced Fees for High School Students– The Board approved Vice Chancellor Jane Nichols’ request for an amendment to Board policy (*Title 4, Chapter 17, Section 13*) providing that under certain circumstances Nevada high school students may enroll in remedial and 100-level courses offered by an NSHE institution for a reduced registration fee per course (*Ref. F on file in the Board office*). This discretionary policy will provide that institutions electing to offer remedial and/or 100-level courses at a reduced per course fee must absorb the additional associated cost.

Regent Leavitt left the meeting

Vice Chancellor Nichols reported that, as part of NSHE’s continuing conversations on improving the quality of education in Nevada and closer working relationships with K-12, the academic officers discussed the possibility of offering remedial courses at the high schools at a reduced rate. Currently, all NSHE institutions have the ability to offer any of their courses at the high schools and are encouraged to do so. Often the students who require these courses the most are not able to afford the full fee or do not qualify for financial aid. Some of the

campuses provide testing for remedial courses in the high schools so students could discover in their junior year if they would be ill-equipped for college-level courses. CCSN worked with Clark County School District to offer the required remedial course in the student's senior year. The academic officers and the Presidents discussed the possibility of offering the courses concurrently and at a reduced fee.

The proposed policy allows discretion for the President to reduce the fee for courses offered on the high school campuses, including 100-level courses. In many of the rural areas of the state, advanced courses in science and math are not available for students in their senior year. Vice Chancellor Nichols stated there were a variety of ways for higher education to enable students to be better prepared to enter System institutions. In order to ensure no sacrifice in the quality of the course, the quality of the instruction, course rigor or course content, it was requested the policy be passed with the understanding that the System office will conduct an evaluation of all courses taught in the next academic

13. Approved-Handbook Revision, Reduced Fees for High School Students – (Cont'd.)

year on the high school campuses with reduced fees and provide an evaluation of these courses next Summer to the Board, including which courses are offered, the location, to whom, the course content, the instructor's credentials and the congruence of the course with the content of courses offered on existing campuses to ensure a model of integrity.

Regent Alden asked whether any of the remedial courses would be offered at the universities or strictly at the state and community colleges. Vice Chancellor Nichols replied that the policy applies to all institutions. However, the universities receive no state funding for remedial or developmental courses. It is highly unlikely the universities would be engaged in such activities. A reduced fee would not be possible for self-funded courses. Regent Alden felt that developmental education should not be offered at the universities.

Regent Rosenberg observed that some introductory courses were offered at the 200-level and the policy would preclude offering those classes. He asked whether that was intentional. Vice Chancellor Nichols replied that it was. This policy does not prevent advanced students from taking classes on a System campus. This is an opportunity to offer specific courses at a high school for targeted students requiring that course. It was never anticipated to be 200-level courses.

Regent Derby asked whether the courses would be offered on high school or NSHE campuses. Vice Chancellor Nichols replied that the only impact of this policy was to provide the ability for a President to reduce the fee for courses offered on high school campuses. It is specifically intended as a means of reaching out to those students who might not be able to access a college campus yet require the specific course content to get into higher education. It is solely for courses offered on high school campuses.

Regent Derby moved approval of the Handbook revision concerning reduced fees for high school students. Regent Wixom seconded. Motion carried. Regents Anthony, Gallagher, Howard, Leavitt and Sisolak were absent.

14. Approved-2007-2009 Biennial Fee Distribution William S. Boyd School of Law and UNLV School of Dental Medicine – The Board approved UNLV President David B. Ashley's request for the fee distributions for the William S. Boyd School of Law and UNLV School of Dental Medicine. The biennial tuition and fee request for the two professional schools was approved by the Board of Regents at their June 2006 meeting. The June agenda item did not include the respective fee distributions. This request addresses that oversight and provides the distribution consistent with rates previously approved by the Board of Regents for both professional schools (*Ref. G on file in the Board office*)

Regent Leavitt entered the meeting.

14. Approved-2007-2009 Biennial Fee Distribution William S. Boyd School of Law and UNLV School of Dental Medicine – (Cont'd.)

President Ashley explained that the request for a fee increase came before the Board previously and did not include a fee distribution. This item solely relates to the manner in which the fee will be distributed.

Regent Alden moved approval of the 2007-09 biennial fee distribution for the William S. Boyd School of Law and the UNLV School of Dental Medicine. Regent Rosenberg seconded. Motion carried. Regents Anthony, Gallagher, Howard and Sisolak were absent.

15. Information Only-Plan to Increase Nursing Enrollments – The Board considered a plan to double the capacity of NSHE nursing programs by 2012-2013, as presented by Executive Vice Chancellor Dan Klaich. This preliminary plan was presented to the Legislative Committee on Health Care at its July 11 and August 10 meetings (*Bound Report for item #18, 2007-2009 Biennial Budget Request on file in the Board office*).

Executive Vice Chancellor Klaich explained that, in 2003, the Legislature indicated a distinct desire to see a doubling of the System's nursing enrollments. Though very little money was provided to assist with this effort, the System did double its enrollments one year ahead of schedule. The Legislature has again asked the System to double these enrollments. Executive Vice Chancellor Klaich complimented the efforts of Ms. Crystal McGee, Assistant Vice Chancellor and Director of Public Policy, Academic & Student Affairs, and Mr. Vic Redding, Budget Officer, Finance, for their efforts in preparing the report. He noted that the report was prepared in a very short timeframe and that subsequent adjustments have been made to the report (*addendum on file in the Board office*).

Executive Vice Chancellor Klaich reported that community college faculty positions are funded on a 60/40 ratio (*60% full-time to 40% part-time*). The net effect is that a new position funded at the community college-level receives fewer dollars for that position. When asked to accomplish this endeavor under a time deadline, it is hoped that the System will not be under-funded from the start. The overall impact of doubling the nursing enrollments and fully funding nursing positions at the community colleges equates to \$302,343 over the first biennium, approximately \$200,000 over the second biennium and approximately \$175,000 over the third biennium. Another area of concern is ensuring the community colleges receive the second half of their 8:1 funding ratio, which is included in the biennial budget request.

The availability of clinical sites is being addressed by the Chancellor's nursing committee. There are not enough nursing clinical site rotations available. Working with the Nevada Hospital Association, efforts will be made to ensure sufficient clinical sites and a fair distribution of preferred and less preferred hours of coverage. The System needs to be able to pay adequate salaries for nursing faculty. He clarified that, while there is a collaborative effort among the System institutions to accomplish a very difficult job, there are some shortcomings with the plan. The biggest problem is the requirement for legislative support for doubling the nursing output. A realistic, viable plan has been

15. Information Only-Plan to Increase Nursing Enrollments – (*Cont'd.*)

developed that will cost approximately \$21.8 million. The effort cannot be accomplished without the state's assistance. NSHE is prepared to be a good partner, but cannot fund the effort alone. There is a significant budgetary assumption in the preparation of these dollars that NSHE cannot accomplish this effort while waiting for the 3-year rolling average to take effect. In order to double nursing enrollments the NSHE will request the faculty that is required to double the nursing enrollments to be paid up front while the enrollments grow in. The plan has been incorporated into the budget. System staff will request that it be approved as part of the overall budget and will incorporate the addendum for 100% funding of community college faculty.

Regent Alden asked whether the need for clinical area and clinical partnerships were also considered. Executive Vice Chancellor Klaich replied that it was to some extent. Regent Alden recalled that the Chancellor had discussed residencies and the need for nursing internships in meetings with the Nevada Hospital Association. Executive Vice Chancellor Klaich said they had been responsive. Prior doubling efforts could not have been accomplished without the Nevada Hospital Association. The current effort will not be accomplished without the assistance of Nevada's hospitals. The Nevada Hospital Association has offered space within their hospitals for NSHE to teach classes. A factor has been included in the budget for leased space. Nursing faculty wants to be sure that the nursing programs are not changed to community-based teaching programs. They want them to

remain on the campuses. In the interim, the Nevada Hospital Association will assist by offering classroom space. The NSC nursing building has a very high priority. A priority is also expressed in the CIP list for the renovation of a building at Shadow Lane for the UNLV nursing program. He related that all space needs may not have been anticipated, but they had given it a valiant effort.

Regent Alden asked how many clinical positions Rose de Lima Hospital had provided for NSC. President Maryanski replied it was approximately fifty positions, adding they had also provided in-kind support with laboratory equipment.

Regent Wixom observed that the 2003 mandate had been unfunded. Executive Vice Chancellor Klaich clarified that it was a patchwork. Some accommodations were made to the manner in which nursing programs were funded, some shifting of funds and payments for summer school classes. The current problem is that the base has been doubled and we are now required to double that. A significantly higher number of slots will be provided. He warned the Board that a patchwork approach would not work. System staff must present what is believed to be a fair and reasonable cost to the state. Regent Wixom observed that an enormous task had been accomplished with the patchwork. Chancellor Rogers observed that it would be insufficient to move forward with this latest mandate. Regent Wixom observed the System had made heroic efforts to comply with an unfunded mandate. Chancellor Rogers observed that the market had also changed. The System must now compete with higher salaries.

Regent Wixom asked how this fit into the overall Health Sciences Center approach they are trying to accomplish. He wanted to be sure that as they move forward they do so in a manner that is consistent with what is to be accomplished with the Health Sciences

15. Information Only-Plan to Increase Nursing Enrollments – (Cont'd.)

Center. Chancellor Rogers said that a review of the number of doctors and nurses per thousand-population in the state spoke for itself with a continual increase in population. He said it was a matter of whether or not they would provide the money. In order to accomplish this effort, the salaries must be responsive to the market of people who teach nurses. The objective in developing the medical school and related areas is to serve the medical needs of the public. At the moment, that is not being done. It will only get worse as the population increases.

Regent Wixom asked how this effects formula funding for the respective institutions. Chancellor Rogers replied that, in the short-term they would be unable to remodel the formula funding concept. This will be an exception or addition to the formula funding. NSHE will need to identify what extra is required to accomplish the mandate. Eventually the formula will need to be revisited. He said they would tell the Legislature that when the formula is employed the System is \$30,000 short for every instructor in the nursing program.

Executive Vice Chancellor Klaich said they could not wait for salary parity and the 3-year rolling average to catch up while asking the institutions to address this mandate. He related that Dean McDonald talks about integrating nursing education and physician education so that doctors and nurses are taught together, learn together and eventually work together. He felt that related well to the Health Sciences concept.

Regent Derby expressed her support for the proposal. She was hopeful that the heroic efforts made to meet the 2003 mandate could be used persuasively at the Legislature and not used against the System as an expectation for absorbing the costs. She acknowledged the compelling need. She asked about the location on the capital request for NSC's nursing and science building. President Maryanski replied it was third on the list. He observed the Regents had recommended \$64.25 million for a 100,000-sq. ft. building. Recent feedback from the State Public Works Board now indicates that amount of money would buy a 60,000-sq. ft. building. NSC is greatly concerned about their ability to respond to tripling their nursing enrollment with a smaller facility. Executive Vice Chancellor Klaich noted that every President is facing similar issues with their capital construction.

Regent Derby complimented, acknowledged and underscored Dean McDonald's thought about integrating the education of nurses and doctors. She felt it was a great idea and one that would be welcomed by the nurses.

Regent Leavitt noted the Regents and the System's legislative team would need to make a compelling and persuasive argument. He applauded the efforts thus far.

Regent Rosenberg expressed his support for the proposal. He urged the Board to remember that nursing and pre-med students would also need a basic education. UNR currently offers 29 sections of English 102, with no openings. Between 130 to over 1,000 students have not been able to get in. He urged the Chancellor not to forget the undergraduate programs. Chancellor Rogers assured him they would not. He said they

15. Information Only-Plan to Increase Nursing Enrollments – (Cont'd.)

were trying to consider the entire spectrum. At the moment, this mandate has consumed all of his efforts.

Mr. Alok Pandey, Faculty Senate Chair-CCSN, said he was happy to hear about the new referendum to fund nursing faculty at 100%. He noted that CCSN will still be funded at the 60/40 ratio for the prerequisite classes required by nursing students. He affirmed that CCSN has doubled its nursing graduates, adding they would have a difficult time finding adjunct faculty to support those prerequisite classes. He asked that faculty salaries for the prerequisite classes also be fully funded. Chancellor Rogers said he had spoken with Mr. Pandey, the problem will be discussed and a report will be provided for the Board.

16. Information Only-Report on Postsecondary Ranking Methodologies - Vice Chancellor Jane Nichols presented a summary of the criteria that impact the national rankings of universities and colleges. Ranking methodologies and alternative rankings were also presented for Board discussion (*presentation on file in the Board office*).

Vice Chancellor Nichols provided an overview for how NSHE universities and research institutions rank in terms of other similar institutions. One of the Master Plan goals includes a reputation for excellence and the desire to move Nevada up in the rankings. The three best known rankings in higher education include: *U.S. News and World Report America's Best Colleges*, The Center at the University of Florida: *The Top American Research Universities* by John Lombardi and the National Science Foundation: *Research and Development Expenditures*.

U.S. News and World Report America's Best Colleges:

- • 248 public and private doctoral institutions
- • Four tiers; first two tiers are ranked individually
- • UNR is in the third tier, UNLV is in the fourth tier
- • Colleges of Business and Engineering are also ranked. UNLV College of Business is ranked 141.

Rankings are based many factors. Some institutions cap class enrollments at 19 in order to positively impact their institution's rankings. The combination of factors results in a weighted sum of scores:

- • A peer survey of college presidents; reputation (25%) .
- • Retention (20% in universities) :
- ✓ • 6-year graduation rate (16%) .
- ✓ • Freshman retention rate (4%) .
- • Faculty resources (20%) :
- ✓ • Class size: classes with less than 20 students (6%) .
- ✓ • Class size: classes with more than 50 students (2%) .
- ✓ • Faculty salary (7%) .
- ✓ • Professors with highest degree (3%) .
- ✓ • Student-faculty ratio and proportion of faculty who are full-time (1% each) .
- • Student selectivity (15%) .
- • Financial resources; per student spending on educational expenses(10%) .
- • Graduation rate performance (6-year) ; predicted rate vs. actual rate (5%).

16. Information Only-Report on Postsecondary Ranking Methodologies –(Cont'd.)

- • Alumni giving rate (5%) .

U.S. News and World Report America's Best Colleges – Public – It is very difficult to move from the third tier into the ranked second tier.

- · UNR is in the third tier with University of New Mexico, New Mexico State, Arizona State and University of Montana.
- · UNLV is in the fourth tier.
- · University of Arizona is in the first tier, ranked 45th.
- · University of Utah is in first tier, ranked 59th.

Lombardi: *The Top American Research Universities* - Comprised of nine categories:

- · Total research expenditures.
 - · Federal research expenditures.
 - · Endowment assets.
 - · Annual giving.
 - · National Academy members.
 - · Faculty awards.
 - · Doctorates awarded.
 - · Postdoctoral appointees.
 - · Median SAT scores.
-
- · National Rank and Control Rank:
 - ✓ · National Rank is position within both public and private institutions.
 - ✓ · Control Rank is position within public research institutions.

2004 National Science Foundation R & D Expenditures:

- · University of Arizona national rank 21; \$478.7 million.
- · UNR national rank 131; \$83.5 million.
- · UNLV national rank 165; \$45.4 million.
- · DRI national rank 182; \$34.8 million.

➤ · R & D Expenditures in Environmental Sciences:

- ✓ · DRI is ranked 27th.
- ✓ · UNLV is ranked 38th.
- ✓ · UNR is ranked 72nd.

➤ · R & D Expenditures in Agricultural Sciences:

- ✓ · UNR is ranked 46th.

➤ · R & D Expenditures in Physics:

- ✓ · UNR is ranked 57th.

➤ · R & D Expenditures financed by the Department of Energy:

- ✓ · UNR is ranked 16th.
- ✓ · DRI is ranked 27th.

New development: A change in the Carnegie classifications for all higher education institutions:

- · Research Universities:
- ✓ · Research with very high research.
- ✓ · Research with high research.

16. Information Only-Report on Postsecondary Ranking Methodologies –(Cont'd.)

- ✓ · Doctoral research.
- ✓ · No extensive vs. intensive research.
- · The old system was the basis for the *U.S. News & World Report* rankings.
- · Carnegie Classifications Categories:

- ✓ · Undergraduate instructional program.
- ✓ · Graduate instructional program.
- ✓ · Enrollment profile.
- ✓ · Undergraduate profile.
- ✓ · Size and setting.

Vice Chancellor Nichols reported that the new Carnegie classifications will provide far greater complexity in reporting. Community colleges are broken out by those offering some four-year degrees. Both UNR and UNLV are in the high research activity category. Voluntary elective classifications are expected to follow (*e.g., community involvement*).

- · How can Ranking levels be improved?
 - ✓ · All changes are slow since data are national and historic, often averaged over time.
 - ✓ · Each institution can identify those factors that can be improved and set goals if they wish to improve rankings.
 - ✓ · Many of the factors are the same that the Board of Regents tracks to ensure student access and success, quality instruction and research productivity to support Nevada's economic growth.
- · Should the Board be paying attention to these rankings?
 - ✓ · If they influence prospective student choices and attitudes.
 - ✓ · If they influence potential investors (*private and public*).
 - ✓ · If they influence faculty recruitment.
 - ✓ · If they influence the national university community.
 - ✓ · If they influence campus culture.

Regent Sisolak entered the meeting.

Regent Derby said she felt that the *U.S. News & World Report* rankings attributed very little weight to factors related directly to a student's experience at the institution and more to what presidents are saying about the institutions, which was somewhat elitist. She said these rankings may have nothing to do with the quality of a student's experience at an institution. While she acknowledged the importance of rankings when considering school pride and alumni giving, she felt it was important not to be preoccupied with chasing rankings because it is the thing to do. She advised the Board not to lose sight of the enormous importance for offering access to students. Balancing access, quality and making programs accessible and affordable makes it difficult to compete with top-ranked, private institutions that can be more selective. She said the research rankings did not have very much to do with a student's experience in the classroom and that the System should focus on keeping its programs and institutions accessible, work on quality and focus on the student experience.

16. Information Only-Report on Postsecondary Ranking Methodologies –(*Cont'd.*)

President Glick observed it is very difficult to judge the good universities. Instead, he judges the good Provosts. He acknowledged that rankings have an impact on student recruitment, though less so with faculty recruitment. Donors are very aware of the rankings and sometimes base their donations on movement to higher tiers. Other factors include the size of the institution, alumni size and time when using a six-year graduation rate with a 4-year time average. He said it was a system designed to protect the incumbents. Disciplines can also impact ratings. Having a medical school provides some opportunities that schools without one do not enjoy. He said the rankings are unfair and flawed, but they affect an institution's ability to do its job. To ignore them would be foolish. He said they do affect the institutions' ability to become what the Board desires.

Chair Whipple requested clarification regarding why President Glick rates Provosts instead of universities. President Glick replied that he is asked to evaluate approximately 250 universities (*the Presidents, the Provosts and the Admissions Directors*). Since he has not visited each one and engaged in personal conversations with the students, he has a limited understanding of the quality of the undergraduate experience. Having served as a Provost for so long, he is very familiar with the Provosts across the nation.

Regent Sisolak asked whether the research dollars for the universities were dollars received that are not outsourced. Vice Chancellor Nichols replied there are two categories: research expenditures and grants and contracts received. The expenditure line is only for funds actually expended at the institution. Regent Sisolak asked about the Carnegie ratings relative to community colleges, how that was handled in Wisconsin and whether they pay attention to Carnegie classifications for community colleges. President Carpenter replied they do not. Regent Sisolak asked whether this was something new. President Carpenter replied that while community colleges are part of the Carnegie classifications they are not ranked like universities. Regent Sisolak asked whether community colleges offering four-year degrees were ranked. Vice Chancellor Nichols replied that the new Carnegie classifications had identified more than a couple of community colleges across the country that offer four-year degrees and have broken them out into a separate category. Their characteristics can be identified and made available for the public, but they are not ranked. In the past, there was only recognition of four-year institutions or community colleges.

President Carpenter noted that a community college offering four-year degrees is considered a substantive change by the Northwest Commission for accreditation purposes. An accreditation team will be visiting CCSN in October. Only four members of the fourteen-member visiting team are from community colleges. He said that offering even only one four-year degree program significantly impacts the evaluation process. CCSN's lack of library space will definitely be noted.

Chancellor Rogers said that while the rankings may be somewhat flawed, it was important to realize that students, faculty and donors pay attention to them. He said that rankings are a very real consideration during capital fund raising campaigns, when recruiting students and when approaching potential donors. He cautioned against criticizing the rankings and potential flaws, adding that the fourth tier is not good enough for UNLV. UNLV must at least move to the third tier and UNR must make a valiant

16. Information Only-Report on Postsecondary Ranking Methodologies *—(Cont'd.)*

effort to move to the second tier. Goals need to be set for continuous improvement in order to retain good students.

Regent Wixom acknowledged that a twenty-year plan would be necessary to improve the institution's rankings, but also felt that short-term issues need to be addressed in the interim. The System needs to consider ways for improving the rankings while also selling the institutions in the short-term in order to attract students. He felt the System had not communicated its success stories very well. He would like to find a way to sell System institutions in the short-term in order to attract students and become a success.

Chancellor Rogers observed that a 35,000-student university cannot be created overnight. There are certain areas that are small enough they can be greatly improved as a pocket of excellence in a short period of time. He felt they should concentrate on those areas to help improve the reputations of other areas.

Regent Wixom asked whether the Chancellor was issuing a directive to the institutions to find areas in which they can become a stellar performer and to become one. Chancellor Rogers agreed that he was, noting that the top performers have concentrated on specific areas of excellence.

Regent Alden observed that the universities possess existing centers of excellence with the UNLV film studies program and the UNR seismology department. He felt they should concentrate on those areas.

Regent Rosenberg observed the problems that exist with limiting class size to less than twenty while still meeting the demand of thousands. In order to serve the demand, the classes are made as large as possible. He agreed the professional programs could help boost the ratings, but felt it was a no-win situation for Nevada when trying to address access and demand.

President Lucey observed that people rank things that can be measured. The quality of the undergraduate experience cannot be easily measured. Rankings tend to focus too much on graduate education and not enough

on undergraduate education. She felt that the proposed standardized testing could be dangerous and urged caution when considering rankings so as not to overlook important factors that are not easily measured.

Regent Schofield said a great deal would depend upon motivation. He agreed with the need to focus upon the really positive aspects.

Regent Derby felt it is important to focus upon a reputation for excellence, but not lose sight of the importance of the undergraduate experience, particularly in a state like Nevada. She expressed a desire for balance. She agreed that a focus on centers of excellence was a means for growing the NSHE's reputation, but felt that increasing the quality and richness of the undergraduate experience was also a means for improving Nevada's reputation.

16. Information Only-Report on Postsecondary Ranking Methodologies –(Cont'd.)

Executive Vice Chancellor Klaich acknowledged how difficult it is to move from one tier to another. He suggested concentrating on specific categories and progress made in those areas to ensure movement in the proper direction.

The meeting recessed at 5:05 p.m. on Thursday, August 17, 2006, and reconvened at 8:07 a.m. on Friday, August 18, 2006 with all members present except Regents Anthony, Gallagher and Howard.

17. Approved-Formation of UNHSC Foundation – The Board approved the Health Sciences Center Committee recommendation approving Chancellor James E. Rogers' request for the formation of the University of Nevada Health Sciences Center Foundation, organized and operated for the purposes of supporting and promoting the University of Nevada Health Sciences Center, and approval of the initial board of trustees to be composed of Chancellor James E. Rogers, Executive Vice Chancellor Daniel Klaich, Dr. David Ashley, President, UNLV, Dr. Milton Glick, President, UNR, and Dr. Thom Reilly, Vice Chancellor and Chief Operating Officer for the University of Nevada Health Sciences Center, to serve as an interim board of trustees for a period of not more than 120 days (*Ref. H and Bound Report for item #18, 2007-2009 Biennial Budget Request on file in the Board office*).

Chancellor Rogers said that improving healthcare for all Nevada citizens is one of the great projects of the state, which can only be accomplished by a collaboration of all eight institutions. He related the Health Sciences Center would encompass the seven nursing programs, the medical school, the biology school and all of the related areas at UNLV. He said it was essential that a united front be demonstrated in the operation and development of the joint venture and in its fundraising capabilities. He has suggested a joint venture agreement between UNR's and UNLV's foundations, which will work through a central foundation for the purpose of raising funds for all of the healthcare-related projects in the state. He observed that people do not compete for donor money and donors generally give to a project rather than a school. In order to approach the private arena for assistance in funding this venture, the System must demonstrate that it is working together.

Regent Derby asked how this foundation would work in conjunction with the two university foundations and where the money would go. She did not understand asking the two university foundations to raise money for this project. Chancellor Rogers replied that it would not be competition between the foundations because this foundation is designed to address one particular area. He said it was a kind of branch of the UNR Foundation and UNLV Foundation which would specialize in healthcare issues. All funds will be merged into this foundation to demonstrate unification and a desire, effort and agreement from all of the schools to work together and concentrate upon the area of health science. Regent Derby established that this would be a stand-alone foundation working in coordination with the other two foundations. Chancellor Rogers said it was a joint venture between the other two. This foundation is established as a subsidiary joint venture agreement between the two institutions. He affirmed that all eight institutions will be involved, but the two main participants are UNR and UNLV. He felt it was essential to demonstrate that both schools are working together to build a Health Sciences Center that will respond to the health needs of the entire state. Regent Derby asked

17. Approved-Formation of UNHSC Foundation – (Cont'd.)

whether both foundations had been consulted and agreed to this new venture. Chancellor Rogers said he had spoken with both Presidents and no one had voiced any objections.

Regent Dondero asked whether this foundation would report back to the Board of Regents and whether it would include any of the doctors involved. Chancellor Rogers replied that the foundation would report back to the Board. It is currently not known who the initial trustees of the foundation should be. It was suggested that this appointment be made for 120 days to get it started. As people are identified they will be added. The Board will approve all of the trustees. A new roster will be presented to the Board for approval. For many years, trustees were chosen for their high profiles. He said they would be careful to select trustees who would garner as well as donate money.

Regent Rosenberg observed that money given for this venture would then not be donated to something else. All funds must be cleared through the foundation so as to avoid duplicate requests. He felt there would be some cannibalization. He asked how much control the Presidents and the individual foundations would have over the Health Sciences foundation. Chancellor Rogers replied that the Presidents would have a lot of control. As the institution foundations currently report to the Presidents, they would be the permanent arbiters for transactions with this foundation.

Executive Vice Chancellor Klaich stated that when drafting the Articles of Incorporation, System staff was mindful of the ultimate control the Board of Regents has over these foundations. He said there was a joint venture of the two foundations by establishing in the Articles of Incorporation that there are permanent members on the board of trustees representing those two foundations. The Presidents have clearly discussed between themselves that there will be coordination of donor requests to avoid duplication. The Board of Regents is in control of this foundation as it is every foundation established by the institutions. The Articles provide that this foundation is subject to all Board policies. State law provides that this foundation is subject to the Open Meeting and Public Records laws. Board policies establish that certain requirements for audits, financing and purchasing be followed. They require financial, audit and performance reports be provided to the Board annually. He pointed out an error in the Articles of Incorporation page three, and asked that the sentence, "*The corporation shall have no members*" be struck since the Board of Regents are the members of these foundations. He said they had attempted to be mindful of Presidents Glick and Ashley, their donor base and their foundations in coordinating these efforts. The Board of Regents ultimately makes all of the decisions and receives the reports from this foundation.

Regent Rosenberg was concerned about smaller donors who are not exactly sure what cause to support and having their donation included in this foundation at the expense of other areas. Executive Vice Chancellor Klaich thought the two Presidents would coordinate the donor lists, who is responsible and who requests the donation. It is specifically provided that significant major gifts to this foundation at all times involve the Chancellor and the two Presidents. The Board must rely upon them to understand that there are multiple needs and hold them accountable.

17. Approved-Formation of UNHSC Foundation – (Cont'd.)

Chancellor Rogers said the process involves inspiring donors to do more things and that the rules cannot be developed in advance. They need to create ways to enhance things that donors have already been trying to address. He said it would take a tremendous cooperative effort from all of the schools and that everyone understands the importance of working together.

Regent Sisolak asked who the legal counsel is for the Health Sciences Center foundation. Executive Vice Chancellor Klaich explained that, to this point, System counsel has not typically represented the System foundations. They were established as independent entities. The larger entities (*UNR and UNLV foundations*) have hired their own staffs and lawyers. System counsel has answered questions for some of the smaller foundations at the smaller institutions. The Health Sciences Center foundation will need to have its own staff. He expected that the foundation will obtain money and funnel it to the programs, but felt it will require its own legal counsel.

Regent Sisolak observed that the Bylaws, (*Article IV A3*) spoke of entering into contracts and agreements. He wanted no repercussions with secret or redacted contracts and no conflict between the representation of the System and the foundation. He asked whether an attorney would be assigned to the foundation and whether large contracts were involved with large donations. Executive Vice Chancellor Klaich replied that System counsel did not execute such contracts. Legal counsel at the UNR and UNLV foundations handle such tasks. He said he would welcome a discussion regarding this between the Board and the Presidents.

Regent Sisolak asked whether a donor brought their attorney with them. Chancellor Rogers replied that donor agreements are very contentious matters. He was only aware of one state that succeeded in enforcing a binding contract. Typically, a pledge is received with very nonspecific terms except for the amount, the purpose and the period of time. Donors do not want to feel as though they are entering into a contract that would deprive their families if something were to happen to their net worth. It is the general policy of all foundations that if a gift does not materialize there are no negative repercussions. He said he typically writes a letter to the foundation committing to what he will do, the amount of the commitment over a period of time and the purpose for which he expects it to be used. He requests a signature on the document so that he knows they received the document. It is never viewed as a binding contract. He cautioned against the use of lawyers for fear of deterring potential donors. Such agreements do not have the same legal effect. He recently challenged the UNLV Foundation to raise a certain amount of money over a specific period of time from a specified number of donors for which he would match a specific amount, though he would continue to give the money if they fell short of the number of donors originally required. These are not viewed as binding terms and conditions. He recently changed the conditions of his challenge for the UNLV Foundation to transfer funds to the Health Sciences Center foundation. Regent Sisolak asked whether an attorney reviewed such letters. Chancellor Rogers replied they probably would not require attorney review. They are non-negotiable items. He has never received an acknowledgement other than a note of thanks for the donation. He has never discussed his donations with an attorney, feeling that it is his money and the terms are not negotiable. Regent Sisolak said he had no objections to

17. Approved-Formation of UNHSC Foundation – (*Cont'd.*)

the formation of the foundation or the Bylaws, but he did have some questions about the specifics (*e.g., attorneys, staffing and offices*).

Chief Counsel Patterson said that if the foundations need legal representation, and many times they do not, it must come from one of two sources. Either the System office must assist them or they must retain outside counsel. One issue under consideration is whether the System office should represent the foundations. A report will be provided for the Board at a future date. There needs to be better coordination with the outside foundation counsel and the System office, which can be communicated to the foundations. This should help move this process forward in a more collaborative direction.

Regent Leavitt asked Chancellor Rogers to discuss the inaugural fundraising event for the Health Sciences Center scheduled for September 30th. Chancellor Rogers observed it was scheduled for the same evening as the UNR vs. UNLV football game. He was hopeful to raise a lot of money. Chancellor Rogers said he would issue a challenge to which he and his wife would contribute \$25,000. He hoped to raise between \$300,000-500,000 to get the project started. He observed that many donors do not want their names or the details of the donation released. He said these are very sensitive issues. He urged the Board to be very careful about the conditions that were placed on this item as it may put off the donors. He said the Board must trust that Presidents Ashley and Glick will shepherd the process properly.

President Glick explained that he and President Ashley had insisted upon a joint venture of the two foundations and proper coordination. He acknowledged that some money that might have been donated elsewhere would now go to the health sciences. He said that was balanced by the access to donors who may not be interested in the health sciences but may be interested in something else. He was hopeful that it will provide access to funds not otherwise available.

Regent Geddes agreed with providing latitude and sensitivity to donors. He asked how government grants would be maintained and administered. Chancellor Rogers said it was not known at the moment, but it would be

closely monitored.

Executive Vice Chancellor Klaich said that was an obvious concern in the agreement reached by the two Presidents. It was generally decided that research grants would remain and reside within the institution from which they emanated and where the primary grant applicant was. The foundation's purpose is to receive and transfer money to the institutions. He did not perceive this becoming a grant-writing foundation or one entering into complex agreements. Regent Geddes wanted to ensure that grants were not administrated in duplicate locations. Executive Vice Chancellor Klaich replied that Presidents Ashley and Glick and Dean McDonald were also extremely concerned about that. All those research dollars will remain resident within their departments and home institutions.

Regent Rosenberg asked how the foundation would count pledges, what it would do with such pledges and whether they could be used as leverage to borrow money. Chancellor Rogers replied he had never seen pledges used as leverage to borrow money. In such

17. Approved-Formation of UNHSC Foundation – (Cont'd.)

cases, the donor would be asked for a binding contract that could be provided to the bank. The counting of pledges is governed by the rules of the National Association of Foundations. They generally allow the counting of receipts for the next five years past the end of the capital campaign. The donor's age and probability of death is considered. Such cases can be shown as a present gift because there is a reasonable expectation that they will collect the gift due to the donor's age and likelihood of death. That is why there are so many questions about what is really counted in a capital campaign, the probability that the money will be received and how much of the income stream can be brought into the present as part of the capital campaign. Regent Rosenberg asked whether this new foundation's assets were obvious. Chancellor Rogers said that they were.

Regent Sisolak moved approval of the formation of the UNHSC Foundation and the initial board of trustees with an amendment to the Articles of Incorporation, Article VII, page 3. Regent Dondero seconded. Upon a roll call vote the motion carried. Regents Wixom, Alden, Derby, Dondero, Geddes, Leavitt, Rosenberg, Schofield, Sisolak and Whipple voted yes. Regents Anthony, Gallagher and Howard were absent.

18. Approved-2007-2009 Biennial Budget Requests – The Board approved updated reports concerning the biennial budget requests for NSHE's biennial operating and one-shot budgets for the 2007 Legislative Session as previously presented to the Board on March 16, June 1 and June 8-9, 2006. In order to comply with the State's budgetary timelines, the Operating Budget/One-shot requests must be finalized by the Board in August 2006 (*Bound Report on file in the Board office*).

Regent Alden moved approval of the 2007-2009 biennial budget requests. Regent Dondero seconded.

Executive Vice Chancellor Klaich reported that the budget is comprised of the base budget, statutory adjustments and the maintenance function. He noted that staff had focused upon the Board's critical priorities for enhancements to the budget. He observed that Regent Alden's motion should include approval of a request for the Board to forward the budget with an addendum to fully fund faculty at the community colleges to double nursing enrollments. He said that additional detail on the programs was provided for the Health Sciences Center, which had been discussed in detail in committee as well as full Board meetings. He said that nothing new had been added.

Regent Alden suggested that all future budget discussions be brought before the Budget & Finance Committee meeting as a Committee of the Whole.

Executive Vice Chancellor Klaich noted two items not previously presented to the Board. "Items for Special Consideration" includes a request for increasing the formula funding. A percentage increase of 89.13% was recommended, which was calculated to ensure that

18. Approved-2007-2009 Biennial Budget Requests – (Cont'd.)

none of the institutions receive less money in this biennium than they did in the previous biennium. The interaction of the three-year rolling average if growth continues at a lower rate than previous years can result in a growing institution losing money. A number of institutions have somewhat flat growth. It was recommended as the Board's highest priority that the System not lose money from the institutions' current budgets.

Regent Alden accepted the modification.

Chair Whipple recognized Dr. Cliff Ferry, Chair, State Board of Education.

Regent Derby asked about the current level of funding. Executive Vice Chancellor Klaich replied it was approximately 84.65%.

Executive Vice Chancellor Klaich then noted that the enhancement request includes two carry-forward requests: 1) a request for CCSN to take into account increased caseload due to rapid growth, which came as a recommendation of the AB 203 Committee and 2) a request to increase research funding at UNLV as a result of comparison with peer groups. It was requested that the motion include the ability for the Chancellor to monitor both of these requests making necessary adjustments as more current data comes forward.

Regent Alden and Dondero accepted the modifications to include a request for increasing the formula funding to 89.13% , and an adjustment to the enhancement request to include 1) a request for CCSN to take into account increased caseload due to rapid growth, which came as a recommendation of the AB 203 Committee and 2) a request to increase research funding at UNLV as a result of comparison with peer groups and ability for the Chancellor to monitor both of these requests making necessary adjustments as more current data comes forward.

Regent Sisolak asked how athletic fee waivers were being addressed. Executive Vice Chancellor Klaich replied that athletic fee waivers were in the budget as a priority enhancement in the amounts directed by the Board. Regent Sisolak asked whether it included all athletic programs. Executive Vice Chancellor Klaich replied that athletic fee waivers for the two universities were built into the base budget. An enhancement request was also included for athletic fee waivers for the community college programs in the amounts previously discussed.

Regent Wixom offered a friendly amendment that the Chancellor be directed to transmit the budget to the Governor and Legislature with the following caveats: 1) adjustments for NSC to reflect more current enrollment projections, 2) authority for the Chancellor to adjust the enhancement request for

18. Approved-2007-2009 Biennial Budget Requests – (Cont'd.)

UNLV research based on updated peer comparisons or national data, 3) correction of any errors or technical adjustments required to perfect the request and any other changes approved by the Board, 4) the Board authorizes the Chancellor to negotiate changes with the Governor and Legislature as appropriate regarding details with the budget within the general confines of the request as approved by the Board that day.

Regent Alden observed that Regent Wixom had included an enrollment adjustment for NSC and asked about the CCSN adjustment. Executive Vice Chancellor Klaich replied that the CCSN adjustment was in the enhancement request. He related that the three-year rolling average would not work for NSC because its enrollments are growing at such a high level. New projections were provided for inclusion in this budget.

Regents Alden and Dondero accepted the friendly amendment.

Regent Geddes requested the friendly amendment be re-read. He requested clarification regarding the UNLV peer comparisons. Executive Vice Chancellor Klaich replied that the AB 203 report noted a rapid caseload adjustment at CCSN and their inability to build the student support services infrastructure. Secondly, when comparing the two research universities in comparison with their respective peer groups, there appeared to be a deficit in funding for UNLV. In order to enhance the research mission of UNLV, it was felt that the gap between UNLV and its peer institutions should be closed. The request was based on the most recent information, which is

3½ years old. As more current data becomes available, it will be included in the request.

Executive Vice Chancellor Klaich stated that difficult choices will need to be made and priorities will need to be set. The Chancellor will need to speak with Board members about these issues. Within the request for the UNHSC there has been some controversy around the funding request for a School of Pharmacy. The Board has endorsed that concept on a number of occasions and is now part of this proposal. The Health Sciences Center Committee has discussed an integrated approach to health sciences. He related that the entire request may not be funded. He said they were still working with private schools of pharmacy and the School of Medicine to determine where such a school would fit. Additional recommendations may follow.

Motion as amended carried. Regents Anthony, Gallagher and Howard were absent.

Executive Vice Chancellor Klaich said the effort would require a united front. Chair Whipple expected the strong working relationship between the institution leaders would continue.

19. Information Only-Blueprint for the Future for the Nevada System of Higher Education – The Board discussed Chair Bret Whipple’s request regarding the concept of a “Blueprint for the Future” for the Nevada System of Higher Education. The “Blueprint for the Future” would represent a policy guideline to address the unprecedented growth in the state, its impact on higher education, and how to coordinate the System’s response, especially recognizing the importance of a seamless transition for P-16.

Chair Whipple said he was concerned about trying to formulate a plan for the future with a scarcity of funding. He asked Vice Chancellor Nichols to provide Nevada’s rankings and the number of citizens who have obtained an associate or bachelor’s degree.

Vice Chancellor Nichols related that this sobering data relates to the educational attainment of Nevada’s workforce. Nevada ranks 45th in the country in terms of the educational attainment of the state’s total workforce (25-64 years of age) ; ahead of only Arkansas, Kentucky, West Virginia and Mississippi. Only 19% of the population has obtained a bachelor’s degree or more, while 25.6% have obtained an associate degree or more. Among 25-34 year olds Nevada ranks 50th in the country (last) ; 17% have obtained a bachelor’s degree or more; 23% have obtained an associate degree more. Nevada ranks first in the growth rate of the jobs that require bachelor’s degrees. While Nevada anticipates the highest growth rate in the country for jobs that will require a bachelor’s degree, it has the lowest educated workforce. By 2020, it is anticipated that the white population in Nevada will decrease 20% while the growth will be primarily in the Latino population. In Nevada, this group is the least successful in obtaining a bachelor’s degree. Nevada faces many serious challenges.

Chair Whipple said he was frightened by these statistics. He felt the Board needs to be prepared to get ahead of these issues. He asked Vice Chancellor Nichols to address the historical use of outside consultants to help address future needs. Vice Chancellor Nichols stated that the Board had been involved in a number of efforts to plan for the future. The first of those involved work with Battelle in reviewing NSHE’s research and economic development plans. The results of the RAND Corporation study indicated the need for six state colleges in order to meet the need for bachelor’s degrees in the state. The RAND study led the Board into a planning process in which they brought in the head of WICHE, Dr. David Longanecker, who worked with the Board for two days to create a Master Plan, which set up the parameters under which the System would move forward in creating new campuses and expectations of the campuses related to the Master Plan. This process was last done over five years ago. She felt it was time for the Board to revisit that kind of research and data that could drive the System to a new set of policies for future directions. She felt the Board needed to decide at what stage they want to hire an outside consultant. The System is entering a legislative session. It is possible for staff to begin to identify the issues and data that would be provided to the outside consultant. She suggested engaging a consultant after the legislative session.

Chair Whipple asked about the cost of the previous outside consultant used. Vice Chancellor Nichols replied it

was approximately \$100,000-\$150,000. Chair Whipple was concerned about financial constraints and non-uniform needs across the state.

19. Information Only-Blueprint for the Future for the Nevada System of Higher Education –

(Cont'd.)

Regent Derby noted that, since that time, the System has improved Nevada's college-going rate with the introduction of the Millennium Scholarship. Previously, Nevada ranked last in that area as well. The studies performed provided the Board with very good information and a recommendation for establishing a state college-level to educate students more affordably at the baccalaureate level. It often comes down to achieving funding support for what is recommended. The rest of the state, the business community, the Legislature, the Governor and state leaders must all realize the importance of higher education as the economic engine to Nevada's development. She felt it was important to convince state officials and the business leaders in the state that supporting higher education equated to supporting the future of Nevada.

Regent Wixom observed that the rankings process works to the disadvantage of growing institutions. Each of the factors included in the rankings evaluation works against institutions with increased student populations. He felt they did not reflect the level of success that the System has achieved. He said the rankings favor established institutions with a stable population base, stable alumni and stable giving. Before a consultant is hired, he felt the Board should determine its priorities and concerns. The consultant could then suggest the appropriate next steps. He said the Board should discuss with the consultant how the Board interfaces with the State Board of Education and how to help the local school districts achieve what they desire to achieve. The consultant could also be helpful in identifying what the System can do to facilitate the transfer of students from high school to higher education institutions and cooperation between the community colleges and the universities. He felt the Board should collect its thoughts about its priorities so members can more effectively promote the System as a whole and retain advice for how to get there.

Regent Alden noted they were discussing a public system of higher education. He felt there needs to be an effort made by the Governor and economic development to establish zones of free enterprise and encourage private institutions to participate in this effort. He said it could not be done alone.

Chair Whipple agreed that the Board should prioritize its concerns and aspirations in order to determine an appropriate direction.

President Maryanski asked whether the data presented indicated a need for both associate and bachelor's degrees in the younger workforce. Vice Chancellor Nichols replied that it did. Chair Whipple observed that Nevada ranks last in attainment of those degrees for members of the younger workforce (*25-34 year olds*).

Regent Geddes did not foresee large funding increases coming to the System at any time in the future. Higher education must compete for funding with K-12, prisons and healthcare. He agreed the Board needs to prioritize its desires and ascertain what can be provided prior to hiring a consultant. He said the Board would need to make tough decisions and choices in order to respond to state needs. He felt the focus on health sciences was a great means for moving forward. He felt the Board should review all of the System's programs to ensure a similar responsiveness to the state's needs.

19. Information Only-Blueprint for the Future for the Nevada System of Higher Education –

(Cont'd.)

Regent Leavitt said he would like the Board to be engaged in something that is systematic, annual and performance measurable. He recommended the Board establish a protocol that is valuable and systematic in nature. He requested a future agenda item that would highlight some of the work in which Vice Chancellor Nichols is already engaged.

Chancellor Rogers provided observations on the System institutions' current rankings and what they can expect

in the near future. Twenty-five years ago, the University of Arizona's rankings were similar to UNR and UNLV. They made a conscious decision to become a major research university. The System does a very poor job of marketing its product. A research university receiving large gifts yields tremendous economic growth to the city, attracts the finest researchers in the world, which attract the finest faculty and students, which then bring in the finest undergraduate programs. Las Vegas has infinitely more private funds available for education through the private sector than Tucson. Arizona has improved its ranking with effective marketing. There is a tendency for people to believe the System wastes money because people are unsure what the System does. The Chancellor has been trying to convey the value of what the NSHE provides in speeches he has given across the state. He has asked all of the Chancellor's staff to join the speaking circuit and participate in the effort of marketing the System's institutions. The Presidents need to get out into the community and allow the Provosts to run the institutions. He felt the public and the business sector will respond to such efforts. He acknowledged that progress was being made. He said they need to do a better job of marketing and engaging the Legislature. He praised the current eight presidents, adding that they are all very competent and sensitive to their communities, the Legislature and the Board's needs. He felt the Board was working better together now and felt that a collaborative effort was afoot.

Regent Rosenberg felt the Board needs to pay attention to what the students want to be. The students need to recognize what the System has to offer in order to build a desire to attend NSHE schools. He felt they need to approach students earlier than the high school level, while they are still in elementary school, so they recognize all of the possibilities in the world and that they will need a higher education. He did not want the community colleges to simply be two to four more years of high school education. He felt there needs to be a point of disconnect marking the end of their childhood and the beginning of their adult life. He agreed with marketing the System's offerings but also felt they need to support the Colleges of Education and the undergraduate departments.

Chancellor Rogers said he recently discussed the transition from high school to college with members of the Clark County School District. He noted that Presidents Carpenter and Maryanski had approached the high schools offering joint credit for courses taken by high school seniors after being tested as juniors in high school. He acknowledged the need to inform middle school students about the courses they need to take in high school in order to be better prepared for college. Regent Rosenberg observed that student teachers could be instrumental in this process. He said they need to notify students that they need to aspire to higher education. Chancellor Rogers said that recent discussions with K-12 seem to be more productive.

19. Information Only-Blueprint for the Future for the Nevada System of Higher Education –
(Cont'd.)

Regent Derby observed that the Legislature's assistance would be necessary. She suggested they take a realistic view of what can be achieved and what will be funded. Chancellor Rogers noted the importance of a united front.

Regent Sisolak felt that marketing efforts should extend to the middle schools to entice the students onto campuses earlier in their academic careers. He felt they need to experience their first exposures to campus life earlier. He felt we do not take advantage of existing assets to encourage younger students to think about college earlier.

Chair Whipple direct Vice Chancellor Nichols to provide additional information at the October meeting.

Dr. Cliff Ferry, Chair, State Board of Education, stated that people need to be less protective of their own turf and that assessing blame is not productive. He noted that dual credit courses have been offered for quite some time and that community colleges offer college credit for a few high school courses. A lot of work has gone into this effort. He observed that the P-16 Council provides good potential for working together.

The meeting recessed at 10:00 a.m. and reconvened at 10:12 a.m. on Friday, August 18, 2006 with all members present except Regents Anthony, Gallagher, Howard and Leavitt.

20. Approved-2007 Board Meeting Locations – The Board approved meeting locations for the Board of Regents’ meetings in 2007.

- · January 25-26 – CCSN Henderson Campus
- · March 15-16 – WNCC-Carson City
- · June 21-22 - TMCC
- · August 16-17 – UNR
- · October 11-12 – DRI-Las Vegas
- · November 29-30 - UNLV

Regent Alden moved approval of the 2007 Board meeting locations. Regent Rosenberg seconded. Motion carried. Regents Anthony, Gallagher, Howard and Leavitt were absent.

21. Approved-Bank Loan, Computational Research and Visualization Building (CRVB) , DRI – The Board approved DRI President Stephen G. Wells’ request to seek a \$1.5 million bank loan for funding of its Computational Research and Visualization Building (CRVB) (*Ref. J on file in the Board office*) . The loan amount is \$1,500,000 with a 15-year term, estimated annual payments of \$143,000, with a total cost of \$2,150,000 over the life of the loan at 5.5% interest.

21. Approved-Bank Loan, Computational Research and Visualization Building (CRVB) , DRI –
(*Cont’d.*)

Regent Alden moved approval of seeking a \$1.5 million bank loan for funding DRI’s Computational Research and Visualization Building. Regent Geddes seconded.

Regent Sisolak asked whether DRI would use cost recovery as a revenue stream. President Wells replied that they were as a backup measure.

Motion carried. Regents Anthony, Gallagher, Howard and Leavitt were absent.

22. Approved-Redfield Campus Operating Agreement Addendum, TMCC & NSC The Board approved TMCC President Philip M. Ringle’s and NSC President Fred Maryanski’s requests for an addendum to the Redfield Operating Agreement defining the relationship of TMCC and NSC in a joint facility at the Redfield campus should one be approved in future years (*Ref. J on file in the Board office*) .

Regent Alden moved approval of the Redfield Campus operating agreement addendum for TMCC and NSC. Regent Geddes seconded.

President Ringle explained that the agreement had been formed should TMCC and NSC ever share a facility at the Redfield campus in future years.

Motion carried. Regents Anthony, Gallagher, Howard and Leavitt were absent.

23. Approved-Spanish Springs Higher Education Center, TMCC – The Board approved TMCC President Philip M. Ringle’s request to establish the Spanish Springs Education Center as a TMCC branch campus pursuant to Title 4, Chapter 14, Section 2 (*Ref. K on file in the Board office*) .

Regent Alden moved approval of establishing the Spanish Springs Education Center as a TMCC branch campus. Regent Rosenberg seconded.

Regent Leavitt entered the meeting.

President Ringle reported that a site in Spanish Springs was included in the facility master plan approved by the

Board in 2004. The project was included, but not funded, in the capital request for 2005-07 and was included again in the capital request for 2007-09. Washoe County's population is expected to grow significantly by 2015. Spanish Springs is the fastest growing area in Washoe County from where 24.6% of TMCC's current enrolled students originate. The facility will serve the north valleys, Sparks and two Paiute Indian reservations in Washoe County. The facility master plan reported a significant deficit of classroom, lab and office space at TMCC. When the study was

23. Approved-Spanish Springs Higher Education Center, TMCC – (Cont'd.)

conducted, TMCC was approximately 137-sq. ft. short of space, which was projected to grow to 287,000-sq. ft. by 2015. The community has been very involved in this project. Recognizing there is no higher education facility in the area, Hawco donated land for the project. The site chosen is located in close proximity to a childcare center, a middle school and high school.

The community advisory board, Washoe County Planning Commission and the TMCC Foundation have all endorsed the project. The Foundation has pledged to raise \$3.5 million towards the conclusion of the project. TMCC plans to offer general education, university parallel and community service courses as well as business-specific employee development programs. The location offers TMCC the opportunity to partner for childcare in K-12 and 30-acres of park adjacent to the property to offer community, health and recreational programming. It is hoped the facility will relieve some of the parking challenges on the Dandini campus and provide greater access for students. Last Fall, TMCC turned away 1,572 students who were unable to enroll due to lack of space. The Spanish Springs facility will serve the north and northeast quadrant of Washoe County. The 90,000-sq. ft. building will contain 28 classrooms, 8 conference rooms and a library and computer center. It is intended for the facility to meet LEED certified qualification and provide adequate parking. The request is consistent with the college's mission to provide access to individuals within the service area.

Regent Wixom observed that students in California urban areas are typically within a 15-20 minute drive of any community college. President Ringle replied that was correct. TMCC began offering courses at the Edison Way facility because students would take the vocational offerings but not complete the degree because they viewed the Dandini campus as too far away. Regent Wixom asked how close the master plan was to that optimum. President Ringle replied that this facility would be the only other site within the master plan in addition to the build out of the Dandini Campus. He presumed that as the population continues to grow that further development would be necessary. Regent Wixom asked President Carpenter about his campus travel times. President Carpenter replied there were two areas of concern; one in the northwest and one in the southwest areas of the city. The college has a plan to address the northwest and is seeking property in the southwest. The rest of the city is within 20-25 minutes of a campus.

Regent Derby said she was pleased to hear about the plan and providing service to the north valleys. She noted that TMCC has a great reputation in the region. She applauded the focus on sustainability.

Motion carried. Regents Anthony, Gallagher and Howard were absent.

24. Approved-CIP Revision, Greenspun College of Urban Affairs, UNLV – The Board approved UNLV President David B. Ashley's requests for a change in the 2007 Capital Improvement Project (CIP) request for UNLV to increase the amount for the Greenspun College of Urban Affairs building for FF&E from \$4 million to \$10.8 million, and authorization to seek approval from the Interim Finance Committee (IFC) to accept and expend an increased donation from the Greenspun Family Foundation of \$12.5 million,

24. Approved-CIP Revision, Greenspun College of Urban Affairs, UNLV –(Cont'd.)

and to transfer \$10.8 million from FF&E to construction (Ref. L on file in the Board office) . The most recent budget estimate for this project prepared by the Construction Manager at Risk, Clark Construction Group, LLC, results in a project budget shortfall of \$23.3 million. The Greenspun Family Foundation generously agreed to increase their donation by \$12.5 million. To cover the additional state portion of the increase, UNLV requested Board approval to ask the 2007 Legislature for an additional \$6.8 million to FF&E for this project so the total request would now be \$10.8 million.

Regent Alden moved approval of the CIP revision for the UNLV Greenspun College of Urban Affairs. Regent Derby seconded.

President Ashley reported that a more accurate cost estimate was now available. Part of the \$23.3 million shortfall is for a \$1.7 million photovoltaic array, which is part of the LEED certification for the building. The Greenspun family has agreed to fund this upfront and allow UNLV to use the energy cost savings to repay them. The remaining \$21.6 million amounts to cost overruns from the original estimate. The Greenspuns are very enthusiastic about every aspect of the building project and have encouraged UNLV to proceed with the full scope of the project. In doing so they agreed to increase their contribution to the project. UNLV is requesting permission to amend its top priority from \$4 million to \$10.8 million.

Regent Geddes asked how the original estimates were first derived expressing concern for building and FF&E creep. Mr. Gerry Bomotti, Vice President, Finance-UNLV, replied it was a State Public Works Board (SPWB) project. The earlier estimates were provided by the SPWB. The construction manager now feels this is a more accurate estimate for the project. Vice President Bomotti acknowledged the level of differential, adding they were trying to avoid such differences with future projects.

Regent Geddes asked whether CIP estimates should be increased in order to avoid such overruns in the future. Chair Whipple said this is a statewide issue and that it was difficult to lock in a specific price, adding that it has occurred more this year than in recent memory. He said they were trying to protect themselves with future projects.

Chancellor Rogers observed that the Greenspuns are major builders in the state. They funded the original design costs to get the project started. He acknowledged that the costs escalated faster than were anticipated, but the project had been tracked very closely. He felt the project needed to move forward in order to protect any future projects, adding that the Greenspuns are good people and very supportive of the System.

Regent Geddes felt a need to review how these projects are estimated and questioned the System's confidence in the SPWB's numbers. He felt the situation was out of control and it was embarrassing to keep returning to request more money. Chair Whipple stated that Chancellor Rogers recognizes his concerns. Chancellor Rogers said they have tried to remove the SPWB from all System business but failed to do so. Another attempt will be made in the next legislative session. He noted that other entities were also having similar difficulties with the SPWB.

24. Approved-CIP Revision, Greenspun College of Urban Affairs, UNLV –(Cont'd.)

Regent Dondero asked whether the Director of the SPWB was aware of these concerns. Chancellor Rogers said he was and that it was very frustrating. He affirmed that another attempt would be made to remove the SPWB from such projects.

Regent Wixom offered a friendly amendment to express the Board's deep appreciation for the Greenspun family's generosity and willingness to cooperate.

Chair Whipple asked Secretary Wasserman to work with President Ashley to compose a letter conveying the Board's gratitude.

Regents Alden and Derby accepted the friendly amendment.

Executive Vice Chancellor Klaich said that this had been a topic of discussion with the Council of Presidents. Efforts have been renewed to catalog the problems so the System can address actual experiences. The System is negotiating an agreement with the SPWB that will delegate some responsibility for planning these projects to the System.

Regent Sisolak clarified that UNLV was requesting an extra \$6.8 million in FF&E and transferring the \$10.8 million to construction and inquired whether more would be requested for FF&E. Executive Vice Chancellor Klaich replied they were requesting an increase and a re-characterization of a portion of the FF&E. The request entails devoting some of the FF&E money to construction. UNLV's request for FF&E will be moved to the next biennium, realizing there is no guarantee for that additional money. Regent Sisolak requested clarification, noting that more money would be required for FF&E in the following biennium. Vice President Bomotti explained it was a two-phase process. The Interim Finance Committee (*IFC*) must take action to transfer money from FF&E to the construction budget in order to start the project. An additional request for FF&E will be made in the next legislative session. Vice President Bomotti clarified the request entailed \$10.8 million from the state. The Greenspun contribution will go toward construction. The current FF&E budget of \$13.7 million will be reduced by \$10.8 million and transferred to construction. Regent Sisolak felt the request was not worded properly. Vice President Bomotti clarified that the Board was asked to approve a CIP increase from \$4 million to \$10.8 million and IFC action to transfer \$10.8 million from FF&E to construction.

Executive Vice Chancellor Klaich stated that the current 2007-09 CIP list includes a UNLV request for \$4 million to be added to the project for FF&E. It has been determined that amount is insufficient, thus prompting the request for an increase to \$10.8 million (*a \$6.8 million increase*). Construction cannot begin until \$10.8 million is transferred from the 2005-07 FF&E budget to construction. Regent Sisolak said he understood but felt the request was worded incorrectly. Executive Vice Chancellor Klaich expressed his appreciation for the opportunity to recognize a lack of clarity and to clearly identify the request for the IFC. He recalled the Board authorized a similar transaction for UNR's

24. Approved-CIP Revision, Greenspun College of Urban Affairs, UNLV –(Cont'd.)

Math and Science building, which was approved by the IFC. Regent Sisolak felt the request should be clearer.

Motion as amended carried. Regents Anthony, Gallagher and Howard were absent.

25. Approved-Authorization to Secure Financing for Acquisition of New Campus Telephone System, UNR – The Board approved UNR President Milton D. Glick's request to secure financing up to \$5 million, for a term not to exceed 10 years, for acquisition of a new campus-wide telephone system for the University of Nevada, Reno. Details and final approval of the telephone system replacement financing will be requested at the October 12-13, 2006 Board of Regents meeting (*Ref. M on file in the Board office*). Debt payments will come from re-directed existing line and equipment replacement expenditures.

Regent Rosenberg moved approval of authorization to secure financing for the acquisition of a new campus telephone system at UNR. Regent Alden seconded.

Regent Derby asked why the item was not included on the Consent Agenda. Regent Sisolak surmised that it had been included on the main agenda because he might have questions. Executive Vice Chancellor Klaich stated that staff attempts to determine on which agenda to place items based on the likelihood of questions or discussion.

Regent Wixom asked about the repayment sources for the financing of this project. Ms. Kathleen Payne, Director, Banking & Investments-System Administration, replied that internal policies regarding the issuance of debt were followed. When a campus wants to issue debt they must notify System Administration and provide a list of information (*e.g., what is being done, the amount and how it will be repaid*). If no repayment plan is provided, the project does not move forward. All bonds and loans are reviewed by bond counsel. Regent Wixom asked about the repayment source. President Glick replied that the repayment source would be the stream of revenue presently used to operate the ninety-seven different telephone systems. The anticipated cost savings from buying the new system will help repay the financing.

Regent Sisolak observed that the cost savings were currently unrealized and asked about an alternative plan should the cost savings not materialize. President Glick replied that there really are cost savings from not paying for ninety-seven different phone systems. Should the cost savings not materialize, UNR will need to reallocate

from other sources. Mr. Ron Zurek, Vice President, Administration & Finance-UNR, stated that the debt would not be paid from cost savings but rather from funds redirected from not paying for the multiple telephone systems.

Regent Sisolak asked whether the contracts on the old telephone systems had all expired. Dr. Steve Zink, Vice President, Information Technology-UNR, replied that these were all self-contained systems that were purchased by individual departments. There are no

25. Approved-Authorization to Secure Financing for Acquisition of New Campus Telephone System, UNR – (Cont'd.)

contractual obligations. UNR maintains these systems with the assistance of Nevada Bell/AT&T, which is difficult with so many different systems.

Regent Sisolak was troubled by exorbitant long distance charges previously reported in Committee. He was told that the new system would reduce that. Vice President Zink was unsure, adding that it was really two separate issues. Vice President Zurek recalled that Regent Sisolak's question would be dealt with within the context of this request. Part of the line charges discussed will be redirected into this new system, which will provide greater functionality. Regent Sisolak stated that significant resources were being spent on a monthly basis for UNR for long distance phone charges. Several suggestions were made to alleviate these phone charges and it was alleged that it would be addressed with this proposal. Vice President Zurek stated that the charges would not be alleviated, but UNR will maximize what it gets for the dollars spent with this substantially enhanced telephone system. Regent Sisolak thought that a clearer cost benefit analysis would be provided. Vice President Zurek replied it was not a cost reduction program, but rather a telephone enhancement. At the next meeting, UNR will provide a specific financial vehicle outlining current charges and how they will be redirected for the new system. Today UNR wants to notify the Board of its intent to move forward. Regent Sisolak did not feel that adequate information had been brought forward, adding that this was an area of great concern to him.

Regent Rosenberg asked whether the new system would allow UNR to use a long distance plan that could significantly reduce its long distance costs. Vice President Zink replied that it could, adding that long distance service is separate from the telephone system. The new system will allow transition to voice over internet protocol using the same fiber as the network on campus.

Regent Geddes established that the new phone system would be voice over IP compatible with adequate servers and bandwidth. Vice President Zink replied that it would.

Regent Derby suggested that Regent Sisolak's question could be addressed by the Audit Committee. Regent Sisolak stated that he attempted to ask these questions during the Committee meeting and was unable to get satisfactory responses.

Regent Wixom suggested that a financial Pro Forma would be beneficial to help the Board understand how the numbers work. Vice President Zurek agreed to provide one.

Upon a roll call vote the motion carried. Regents Alden, Derby, Dondero, Geddes, Leavitt, Rosenberg, Schofield, Whipple and Wixom voted yes. Regent Sisolak abstained. Regents Anthony, Gallagher and Howard were absent.

26. Approved-Use of Partial Proceeds from Mill and McCarran Land Sale to Relocate/Replace Greenhouses for the Science and Math Center Building Site, UNR – The Board approved UNR President Milton D. Glick's request to fund \$3.1 million of the greenhouse relocation and replacement costs from the proceeds of the Mill and McCarran land sale (*Ref. N on file in the Board office*).

President Glick reported that the Board had placed a codicil on the land sale proceeds requiring Board approval for any expenditure of those funds. UNR is requesting approval to use \$3.1 million to move the 50-year old

greenhouses to a new site in order to free space for the new Math and Science building.

Regent Geddes asked whether there was any money in the capital request for the Math and Science building to cover this expense. Vice President Zurek replied the original budget included an estimate of \$800,000 for the greenhouse relocation. It has been determined that the existing greenhouses cannot simply be moved to the new site. This money will pay for the relocation as well as the purchase of new greenhouse capacity. The \$800,000 will become part of this relocation request. The total cost for new greenhouses relocated to the new site is \$7 million. The \$800,000 will be used in addition to the \$3.1 million request and a state appropriation from the previously approved capital budget.

Regent Geddes asked whether there was any jeopardy in not meeting federal research commitments if this was not approved. Dr. John Frederick, Executive Vice President and Provost-UNR, replied they were attempting to have the new greenhouses built prior to breaking ground on the Math and Science building in order to avoid any problems with the research projects. They would be in jeopardy if the timing is not right.

Regent Derby reminded the Board that this item came forward due to a prior resolution that proceeds of any of these land sales be used to enhance College of Agriculture programs. While the Board waived this restriction, she felt it was important for the Board to continue to support the College of Agriculture and its efforts. She was pleased that the Dean of the College of Agriculture was supportive of this program.

Chair Whipple noted that he had asked the System to notify the Farm Bureau about this agenda item.

Regent Rosenberg moved approval of the use of partial proceeds from the Mill and McCarran land sale to relocate/replace greenhouses for the Science and Math Center building site at UNR. Regent Wixom seconded. Motion carried. Regents Anthony, Gallagher and Howard were absent.

The meeting recessed at 11:14 a.m. and reconvened at 11:35 a.m. on Friday, August 18, 2006, with all members present except Regents Anthony, Gallagher and Howard.

27. Approved-Audit Committee Recommendations - Chair Steve Sisolak reported the Audit Committee met August 17, 2006, and heard the following reports:

- • Assistant Vice Chancellor Sandi Cardinal reported that the institution bank statements are being completed in a timely manner.
- • The Committee reviewed the staffing of the Internal Audit department and directed Executive Vice Chancellor Dan Klaich and Ms. Cardinal to develop a proposal to increase the department staffing, review the proposal with the institution Presidents and report back to the Audit Committee.
- • The Committee directed Vice Chancellor for Finance Mike Reed to review and discuss best practices related to policy issues such as purchasing cards, contract review, cellular telephones and long-distance telephone charges with the Business Officers Council.

Regent Sisolak requested Board action on the following Committee recommendations:

- • Minutes – The Committee recommended approval of the minutes from the June 8, 2006 Committee meeting (Ref. A-1 on file in the Board office).
- • Change in Scope, External Audit – The Committee recommended approval of a change in scope for the external audit. Moss Adams requested an increase of \$38,000 to \$40,000 in their fee for the year ending June 30, 2006 due to additional work required to audit the TRIO Student Financial Aid programs as part of the Office of Management and Budget Circular A-133 audit report (Ref. A-7 on file in the Board office).
- • NSHE Audit Exception Report – The Committee recommended approval of the Audit Exception Report for the six months ending June 30, 2006 (Bound Report on file in the Board office).
- • Internal Audit Reports – The Committee recommended approval of the following internal audit reports (Audit Summary on file in the Board office):
 - ✓ • Purchasing Card Program, TMCC (Ref. A-2 on file in the Board office).
 - ✓ • Western Nevada State Peace Officer Academy, WNCC (Ref. A-3 on file in the Board office).

✓ · Nevada State Health Lab, UNR (Ref. A-4 on file in the Board office) .

Regent Sisolak moved approval of the Committee recommendations and acceptance of the report. Regent Rosenberg seconded.

Regent Alden objected to paying the auditors more money for the change in scope.

Motion carried. Regent Alden voted no. Regents Anthony, Gallagher and Howard were absent.

Regent Sisolak left the meeting.

28. Approved-Budget & Finance Committee Recommendations - Chair Mark Alden reported the Budget & Finance Committee met August 17, 2006 and heard the following reports:

- · Self-supporting budget revisions for the fourth quarter of fiscal year 2005-06.
- · State supported operating budget transfers for fiscal year 2005-06.
- · Institutional resource reassignment/allocation between institutions and units of the NSHE for fiscal year 2005-06.

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

- · The report regarding institutional operational efficiencies implemented by the NSHE campuses through fiscal year 2005-06 to increase productivity and thereby reduce waste and cost was tabled to a subsequent meeting.

Regent Alden requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the June 8, 2006 Committee meeting (Ref. BF-1 on file in the Board office) .
- · Fiscal Year 2006-07 NSHE Self-Supporting Budget – The Committee recommended approval of the fiscal year 2006-07 NSHE Self-Supporting Budget (Bound Report on file in the Board office) .
- · Fiscal Year 2006-07 State Accountability Report, Reconciling Legislative Approved Budget to Board of Regents' Approved Budget – The Committee recommended approval of the fiscal year 2006-07 State Accountability Report reconciling the NSHE legislative approved operating budget to the Board of Regents approved operating budget (Bound Report on file in the Board office) .
- · IFC Approval to Redirect Appropriated State Funds – The Committee recommended approval for the NSHE to seek Interim Finance Committee authorization to reallocate funds appropriated to the School of Medicine in support of postgraduate medical education (Ref. BF-9 on file in the Board office) .

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

29. Approved-Cultural Diversity and Security Committee Recommendations– Regent Derby reported the Cultural Diversity and Security Committee met August 17, 2006. Vice Chancellor Jane Nichols presented recent national data that had been given to the Nevada P-16 Council by Ms. Kati Haycock of the Education Trust. The Committee also received a presentation on the Nevada MESA program that prepares middle and high school students to achieve in math, engineering and science before they enter college. Mrs. Sharon Wurm, Director of Financial Aid-System Administration, updated the Committee on two new federal scholarship programs, the Academic Competitiveness Grant and the National Science and Mathematics Access to Retain Talent (*SMART*)Grant.

Regent Derby requested that copies of these reports be provided to all members of the Board.

Regent Derby requested Board action on the following Committee recommendation:

- · Minutes – The Committee recommended approval of the minutes from the June 8, 2006 Committee meeting (Ref. CDS-1 on file in the Board office) .

29. Approved-Cultural Diversity and Security Committee Recommendations– (Cont'd.)

Regent Derby moved approval of the Committee recommendation and acceptance of the report. Regent Alden seconded. Motion carried. Regents Anthony, Gallagher, Howard and Sisolak were absent.

30. Approved-Student and Academic Affairs Committee Recommendations - Chair James Dean Leavitt reported the Student and Academic Affairs Committee met August 17, 2006 and requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the June 8, 2006 Committee meeting (*Ref. SAA-1 on file in the Board office*) .
- · Handbook Revision, Remedial Coursework – The Committee recommended approval of a revision to Board policy (*Title 4, Chapter 16, Section 1*) mandating that students complete all required remedial coursework prior to completion of 30 college-level credits unless otherwise authorized by the institution (*Ref. SAA-2 on file in the Board office*) .
- · Handbook Revision, Articulation/Transfer Policy Revisions – The Committee recommended approval of revisions to the current articulation/transfer policy (*Title 4, Chapter 14, Sections 13-18*) that align policy with current practice, eliminate provisions that are no longer applicable and reorganize the sections for better flow (*Ref. SAA-3 on file in the Board office*) .
- · Handbook Revision, Regents' Service Program – The Committee recommended approval of an addition to the Board *Handbook* (*Title 4, Chapter 18, Section 17*) formally establishing the Regents' Service Program, formerly known as the Regents' Award Program (*Ref. SAA-4 on file in the Board office*) .
- · New Program Proposals – The Committee recommended approval of the following new program proposals:
 - ✓ · Master of Science, Astronomy, UNLV (*Ref. SAA-5 on file in the Board office*) .
 - ✓ · Ph.D., Astronomy, UNLV (*Ref. SAA-6 on file in the Board office*) .
 - ✓ · Bachelor of Science, Occupational Therapy, NSC (*Ref. SAA-7 on file in the Board office*) .

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

Regent Sisolak entered the meeting.

31. Approved-Investment Committee Recommendations - Chair Thalia M. Dondero reported the Investment Committee met August 11, 2006 and discussed the following:

- · Capital Market Returns as of June 30, 2006.

31. Approved-Investment Committee Recommendations – (Cont'd.)

- · Asset Allocation and Investment Returns for the period ending June 30, 2006. Endowment investments returned (-1.5%) for the quarter (*compared to the (-0.1%) benchmark*) and 12.8% for the fiscal year (*compared to the 10.2% benchmark*) . The total return for the pooled operating funds was 0.3% for the quarter (*compared to the 0.8% benchmark*) and 6.8% for the fiscal year (*compared to the 6.9% benchmark*) (*Ref. INV-3 on file in the Board office*) .
- · The Committee approved a withdrawal of \$27.5 million from the endowment fund for estate tax expenditures.
 - · Revisions to the *Handbook* for acquisition or sale of real property.
 - · Amendment to contract and contract renewal for UNR.
 - · Leasing of space for DRI and UNR.
 - · Property account review for UNLV.
 - · Property account review for UNR.
 - · Property holdings of GBC.

Regent Dondero requested Board action on the following Committee recommendations:

- · Minutes – The Committee recommended approval of the minutes from the June 2, 2006 Committee meeting (*Ref. INV-1 on file in the Board office*) .
- · Elimination of Right of Entry/Grant of Easement, CCSN – The Committee recommended approval for an

elimination of right of entry and grant of easement for CCSN (*Ref. INV-7 on file in the Board office*) .

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

Regent Dondero suggested the following item be considered separately by the full Board:

➤ · Expansion of power company utility easements for UNR. – Regent Dondero requested approval to expand a 40-ft. easement to a 50-ft. easement and a 15-foot easement to a width of 20 feet.

Regent Alden explained that he had objected to the value designated to the easements feeling they were worth more than the \$1,000 per easement offered. NSHE paid for a private assessment and SPPCo offered to absorb that cost.

Regent Dondero moved approval of expanding the existing easements. Regent Wixom seconded.

Regent Sisolak commended Regent Dondero for pursuing the facts on this issue and Regent Geddes for clarifying the matter for him.

Motion carried. Regents Anthony, Gallagher and Howard were absent.

32. Approved-Research and Economic Development Committee Recommendations - Chair Jack Lund Schofield reported the Research and Economic Development Committee met August 10, 2006 and heard a report from Mr. Chuck Alvey, President and CEO of the Economic Development Authority of Western Nevada (*EDAWN*) regarding a new plan for northern Nevada that will target six key industries to recruit and support. The six industries are Business and Financial Services, Software, Clean Energy, Advanced Manufacturing, Advanced Logistics and Life Sciences. Additionally, the Committee continued discussion based on a presentation by UNR, DRI and UNLV on best practices for building successful technology transfer programs and their current status in supporting technology transfer.

Regent Schofield requested Board action on the following Committee recommendation:

➤ · Minutes – The Committee recommended approval of the minutes from the June 1, 2006 Committee meeting (*Ref. RED-1 on file in the Board office*) .

Regent Schofield moved approval of the Committee recommendation and acceptance of the report. Regent Sisolak seconded. Motion carried. Regents Anthony, Gallagher and Howard were absent.

33. Approved-Technology Committee Recommendations - Chair Michael B. Wixom reported the Technology Committee met June 8, and July 12, 2006. On June 8th , the Committee reviewed the amended request for proposal for the iNtegrate project (*RFP #7540*) . Discussion ensued regarding the model proposed in the amended RFP as well as the rationale considering data location and availability, disaster recovery and terminology related to the model. The Committee discussed the process by which the RFP was developed and the representation from the various campuses. Discussion also included the expectation that responses from the amended RFP (*#7540*) would be compared to the first RFP (*#7499*) . The Committee also determined that an independent consultant would be employed to review both RFPs and to compare the two RFPs to one another. The full Board of Regents received a complete report of the working of the ad hoc campus committee which developed the second RFP together with a report from Committee Chair Wixom detailing the basic working structure of the ERP.

On July 12th , the Committee reviewed the iNetgrate project and the process that resulted in the original RFP (*#7499*) . Three vendors responded to the original RFP and after analysis of those responses two vendors were identified as superior and negotiations toward a potential contract began. These negotiations moved

forward briefly and then were put on hold while the basis for the original RFP was discussed. The terms of the initial RFP indicate the responses were good for one year. Those two responses are still viable and frozen for one year. Within that time the Board and Committee may determine that it wishes to renew consideration and comparison of the two responses. The Committee continued discussion on the process that resulted in the finalization of the second RFP. The Committee discussed the specifics of RFP 7540 and discussed how the evaluation process will proceed using an NSHE steering committee with functional experts from the campuses and an independent consultant. The Committee further considered a report on responses to RFP #7552 to contract with a consultant to evaluate the responses to the initial RFP (#7499) and the second RFP (#7540). The Committee

33. Approved-Technology Committee Recommendations – (Cont'd.)

recognized the conditions of the RFP that responders remain independent and have no connection with vendors bidding on the iNtegrate project. Moran Technology Consulting was the sole respondent. Review of all aspects indicated the responder is a viable choice. It was noted the consultant will report to the Committee and on a day-to-day basis work with Dr. Kenneth McCollum and the project steering committee.

Regent Wixom requested Board action on the following Committee recommendations:

- · Review of Amended Request for Proposal – The Committee recommended approval of the amended Request for Proposal (*RFP #7540*) for the NSHE iNtegrate project.
- · Future Processes on the RFPs for the NSHE Integrated Information System – The Committee recommended approval of the process to be followed in going forward for reviewing and comparing the initial RFP (#7499) and the second RFP (#7540) to ensure that all proper stakeholders are heard and involved in the process.
- · Selection of Consultant – The Committee recommended approval of consultant, Moran Technology Consulting, to evaluate the responses to the initial RFP (#7499) and the second RFP (#7540) for the NSHE iNtegrate project.

Regent Wixom moved approval of the Committee recommendations and acceptance of the report. Regent Rosenberg seconded. Motion carried. Regents Anthony, Gallagher and Howard were absent.

34. Approved-Health Sciences Center Committee Recommendations - Chair James Dean Leavitt reported the Health Sciences Center Committee met July 14, and August 9, 2006 and heard the following reports:

- · Update on the Governor's Commission on Medical Education and Training and the Legislative Committee on Health Care.
- · Review of the vision statement for the University of Nevada Health Sciences Center (*UNHSC*).
- · Review of the position description for the Vice Chancellor/Chief Operating Officer for the UNHSC.
- · Review of Implementation Plan for the UNHSC; a discussion on graduate medical education growth plans, the role of community physicians in the expansion of graduate medical education and other faculty and class size growth plans.
- · Overview of proposed creation of a School of Pharmacy.
- · Overview of proposed expansion of nursing programs.
- · Overview of proposed creation of UNHSC Foundation.
- · Overview of proposed UNHSC 2007-09 legislative funding request, including a presentation on facilities planning efforts.
- · General discussion on future planning efforts for the UNHSC and future Committee discussion items.

Regent Leavitt requested Board action on the following Committee recommendations:

34. Approved-Health Sciences Center Committee Recommendations –(Cont'd.)

- · Minutes – The Committee recommended approval of the minutes from the May 12, and May 30, 2006 Committee meetings (*Ref. HSC-1a, Ref. HSC-1b on file in the Board office*).
- · The Committee recommended approval of the UNHSC vision statement.
- · The Committee recommended approval of proposed plans for graduate medical education growth plans, the role of community physicians in the expansion of graduate medical education and other faculty and class size

growth plans.

- · The Committee recommended approval of the creation of the UNHSC Foundation.
- · The Committee recommended approval of the proposed 2007-09 legislative funding request, with a request for additional information on facilities planning to be provided to the Committee prior to the Legislative Session.

Regent Leavitt moved approval of the Committee recommendations and acceptance of the report. Regent Wixom seconded. Motion carried. Regents Anthony, Gallagher and Howard were absent.

35. Approved-Future Structure and Functioning of the Board - The Board considered the future structure and functioning of the Board in its governance of the NSHE and approved referring the matter to the Board Development Committee (*Ref. Q on file in the Board office*).

Regent Leavitt moved approval of referring the matter to the Board Development Committee. Regent Sisolak seconded. Motion carried. Regents Anthony, Gallagher and Howard were absent.

36. New Business – Dr. William Robinson, UNLV Faculty Senate Chair, stated that the iNtegrate project is 20% technology, 20% RFPs and 80% human factor and policy. None of the campuses have the staff necessary to implement the project without additional resources. He urged the Board to create the policy necessary to require specific data from the new system. He urged the Board to allow the Technology Committee to consider other matters than just the RFPs, to include the issues of policy and resources and to ensure the eight campuses are unified. He said it was important that the resulting policies and RFP match the data needs and student needs.

Regent Wixom observed that no mistakes had been made yet. Instead they have been collecting valuable data and are in an excellent position. He was grateful the System had not spent a lot of money that would later be regretted.

Executive Vice Chancellor Klaich stated the Committee was considering best business practices. The campuses are highly energized in working with this Committee. While the RFPs are being considered it is important to remember that a lot of work remains to determine the proper data points, business practices and implementation procedures.

The meeting adjourned at 12:08 p.m.

Scott G. Wasserman
Secretary of the Board