

Minutes are intended to note: (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audiotape recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Board of Regents at the May 2018 meeting.

SPECIAL MEETING
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
System Administration, Las Vegas
4300 South Maryland Parkway, Board Room

Friday, January 19, 2018

Video Conference Connection from the Meeting Site to:
System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present: Mr. Kevin J. Page, Chairman
Dr. Jason Geddes, Vice Chairman
Dr. Andrea Anderson
Dr. Patrick R. Carter
Mr. Cedric Crear (*via telephone*)
Mrs. Carol Del Carlo
Dr. Mark W. Doubrava (*via telephone*)
Mr. Trevor Hayes
Mr. Sam Lieberman
Mr. John T. Moran
Ms. Allison Stephens
Mr. Rick Trachok

Members Absent: Mrs. Cathy McAdoo

Others Present: Dr. Thom Reilly, Chancellor
Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs
Dr. Constance Brooks, Vice Chancellor, Government and Community Affairs
Mr. Chet O. Burton, Chief Financial Officer
Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board
Mr. Nate Mackinnon, Vice Chancellor, Community Colleges
Mr. Nicholas Vaskov, System General Counsel
Dr. Michael D. Richards, President, CSN
Dr. Kristen Averyt, President, DRI
Ms. Joyce M. Helens, President, GBC
Mr. Bart J. Patterson, President, NSC
Dr. Karin M. Hilgersom, President, TMCC
Dr. Len Jessup, President, UNLV

Others Present: (Continued)

Dr. Marc A. Johnson, President, UNR
Mr. Mark Ghan, Acting President, WNC

Faculty Senate Chairs in attendance were: Dr. Jill Acree, CSN; Dr. Doug Lowenthal, DRI; Dr. John Rice, GBC; Dr. Zachary Woydziak, NSC; Ms. Marcie Jackson, SA; Ms. Cheryl Cardoza, TMCC; Ms. Shannon Sumpter, UNLV; and Dr. Thomas Harrison, UNR. Student Body Presidents in attendance were: Mr. Christopher Roys, CSUN President, UNLV; and Ms. Kanani Espinoza, GPSA President, UNLV.

Chairman Page called the meeting to order at 9:00 a.m. with all members present except Regents Crear and McAdoo. Regent Carter led the Pledge of Allegiance. A moment of silence was held for Regent McAdoo's husband, Mr. Kent McAdoo. Chairman Page announced it is President Richard's last meeting before his retirement.

1. Information Only – Public Comment – Mr. Kent Irvin asked for a new strategy as it relates to faculty compensation and performance-based merit raises.

Mr. Thomas Cardoza, Dr. Julia Hammett, Mr. Brandon Canty and Mr. Matthew Ebert spoke in opposition to Dr. Kyle Simmons' denial of tenure at TMCC.

Ms. Ana Douglass stated the overwhelming majority of TMCC faculty are doing their jobs exceedingly well and this positive information is not being shared.

Ms. Cheryl Cardoza expressed concerns related to how tenure recommendations are being considered at TMCC.

Ms. Shari Lyman stated the Nevada Faculty Alliance (NFA) appreciates the creation of the System level ombudsman position to help facilitate transfer students and address student rights issues concerning enrollment completion and success that may be due to systemic failures.

2. Approved – Minutes – The Board approved the October 19-20, 2017, Board of Regents' special meeting and workshop minutes. (Ref. BOR-2 on file in the Board Office.)

Vice Chairman Geddes moved approval of the October 19-20, 2017, Board of Regents' special meeting and workshop minutes. Regent Lieberman seconded. Motion carried. Regents Crear and McAdoo were absent.

3. Approved – Board of Regents Self-Evaluation Report – The Board approved the report on the Board of Regents self-evaluation conducted at the October 19-20, 2017, special meeting and workshop. (Ref. BOR-3 on file in the Board Office.)

3. Approved – Board of Regents Self-Evaluation Report – (Continued)

Chancellor Thom Reilly presented the report prepared by AGB Senior Fellow Dr. Kevin P. Reilly on the Board of Regents self-evaluation conducted at the October 19-20, 2017, special meeting and workshop.

Regent Lieberman moved approval of the report on the Board of Regents self-evaluation conducted at the October 19-20, 2017, special meeting and workshop. Regent Del Carlo seconded. Motion carried. Regents Crear and McAdoo were absent.

4. Approved – Las Vegas Stadium Joint Use Agreement, UNLV – The Board approved the Joint Use Agreement (JUA) between UNLV and the LV Stadium Events Company, LLC (the Raiders stadium operating company) governing UNLV's use of the future Las Vegas Stadium, subject to receipt of satisfactory opinion letters from both outside counsels, by no later than February 8, 2018. The opinion letters will cover the issue of UNLV's right to extricate itself from the JUA without any financial penalty or cost to UNLV. The letters must be deemed satisfactory to Regent Trachok, Special Counsel Dean J. Gould and System General Counsel (GC) Nicholas Vaskov. This matter would not have to return before the Board for subsequent approval unless the reviewers were not satisfied with the language in the opinion letters. *(Supplemental material on file in the Board Office.)*

Chancellor Reilly read a statement from Mr. Mark Badain, President of the Raiders organization and Mr. Dan Ventrelle, Executive Vice President of the Raiders organization into the record.

Ms. Mandy Shavinsky, Snell & Wilmer LLP addressed certain changes made to the previous draft of the JUA provided to the Board of Regents at the January 4, 2018, Special Board of Regents' meeting.

1. Concern regarding lack of express termination provision for licensee's termination of the license. UNLV proposed an express termination provision to the Raiders through the Authority. The Raiders are concerned that if an express termination provision is included it will conflict with the Southern Nevada Tourism Improvements Act, that requires the Raiders to provide access to the stadium. The Raiders proposed an acknowledgment that UNLV is not obligated to play in the stadium.

Regent Crear entered the meeting.

2. Concern regarding lack of reciprocity on use of marks. UNLV proposed to the Raiders through the Authority language to make the use of marks more reciprocal. The Raiders declined to incorporate the proposed language because sections already contained reciprocal language regarding use of names and marks.

4. Approved – Las Vegas Stadium Joint Use Agreement, UNLV – (Continued)
 3. Concern regarding an event or activity concluding after 11:59 p.m. UNLV proposed to the Raiders, through the Authority, language to clarify that the time limitation of 11:59 p.m. local time is not applicable to a UNLV event interval. The Raiders declined to incorporate the language stating it was not necessary because the 11:59 p.m. local time limitation was never intended to apply during a UNLV event interval, but to other periods in which access was required.
 4. Concern regarding: a) Licensor's ability to cause a UNLV home game to be rescheduled for a Raider's game or NFL event; and b) Responsibility for damages occasioned by rescheduling. Flexibility is given to both the Raiders and UNLV that allows a game to be rescheduled under certain circumstances. The Raiders are given clear priority in the Act for use of the stadium. A UNLV game can only be rescheduled due to a Raiders or NFL game. UNLV also can propose a change to the home team game schedule to allow for a game to be televised. The Raiders are required to accommodate the change in the schedule if it is commercially reasonable. Both parties need to work together throughout the term of the agreement. If rescheduling occurs and there are no adequate replacement dates, UNLV can appeal to the Authority to resolve any scheduling dispute. UNLV is asked to include language in contracts with other universities/teams to make the contracts subject to use of the stadium by the Raiders for home games and NFL events.
 5. Concern regarding licensor making a sufficient number of Saturdays available during a UNLV season; and the number of non-conference games. The Act requires that the stadium accommodate a sufficient amount of dates for regular UNLV and postseason home games. The Authority is available to address scheduling disputes.
 6. Concern regarding payment responsibility for conversion of the field. The Raiders bear the responsibility for field conversion. UNLV is responsible for the cost of its customized panels, which will include end zone panels, mid-field panels and any other portion of the field that it chooses to customize.

In response to a question from Regent Stephens, Ms. Shavinsky indicated no changes were made to the style guide. The Raiders' position is that sections 14.1-14.3 already provide reciprocal rights and a reasonable interpretation.

Regent Stephens indicated she had read the JUA and she did not believe the Raiders addressed any of the Board's concerns. Ms. Shavinsky reported alternative language was proposed to the Raiders. The Raiders believed concerns 4, 5 and 6 were already addressed with the language provided in the JUA. Regent Stephens clarified that the exit clause specifically requested by the Board was not added.

Regent Stephens noted for the record the Board's concerns were rendered invalid. Only one acknowledgment, not requested by the Board, was given.

4. Approved – Las Vegas Stadium Joint Use Agreement, UNLV – (Continued)

Regent Trachok asked how much notice is required for the termination agreement. Ms. Shavinsky responded there is no termination provision. The Raiders believe an express termination agreement conflicts with the Act, being Nevada legislation, which requires the Raiders to make the stadium available to UNLV.

In response to a question from Regent Trachok, Ms. Shavinsky stated UNLV's only financial exposure is the cost of reasonable rent when using the stadium. If UNLV is not using the stadium then there is no reasonable rent.

Regent Trachok clarified that at the January 4, 2018, Special Board of Regents' meeting, both outside counsels agreed to provide opinion letters verifying the position that there is no obligation to the University if the University decides not to use the facility and asked if the said opinions letters had been issued. Ms. Shavinsky stated the opinion letters had not been drafted because outside counsel was unsure if the Raiders would accept the express termination language, but both are happy to provide the letters to NSHE and UNLV. Regent Trachok believed it would be inappropriate for the Board to vote on this item prior to seeing the opinion letters.

Regent Trachok expressed his concerns with the costs associated with UNLV's use of the stadium which increases 500 percent from approximately \$50,000 per game currently to what could be well over \$250,000 per game.

Regent Lieberman moved approval of the Joint Use Agreement (JUA) between UNLV and the LV Stadium Events Company, LLC (the Raiders stadium operating company) governing UNLV's use of the future Las Vegas Stadium. Vice Chairman Geddes seconded.

Chairman Page offered a friendly amendment that the motion is contingent upon receipt of satisfactory opinion letters from both outside counsels.

Regent Hayes asked who would determine if the letters were satisfactory

Chairman Page recommended the letters be reviewed by Regent Trachok, Special Counsel Gould and System GC Vaskov on the Board's behalf, and if the letters are not satisfactory the Board of Regents will reconvene to address.

Regent Crear asked if there should be a timeframe as to when the letters should be submitted.

Chairman Page recommended the letters be submitted prior to the next Stadium Authority Board meeting.

4. Approved – Las Vegas Stadium Joint Use Agreement, UNLV – (Continued)

Regent Hayes was concerned that the Board failed in not acting in advance and allowed one of the institutions to lobby for a huge tax increase and for a stadium without the Board of Regents vetting the issue first. He did not know if this was in the best interest of the institution.

Ms. Shavinsky believed action would be taken at the February Stadium Authority Board meeting. Vice Chairman Geddes clarified the meeting is scheduled for February 15, 2018, and if the letters were received by February 8, 2018, it would provide enough time for review.

Chief of Staff (COS) Gould restated the motion with the friendly amendment to read:

Regent Lieberman moved approval of the Joint Use Agreement (JUA) between UNLV and the LV Stadium Events Company, LLC (the Raiders stadium operating company) governing UNLV's use of the future Las Vegas Stadium, subject to receipt of satisfactory opinion letters from both outside counsels, by no later than February 8, 2018. The opinion letters will cover the issue of UNLV's right to extricate itself from the JUA without any financial penalty or cost to UNLV. The letters must be deemed satisfactory to Regent Trachok, Special Counsel Dean J. Gould and System General Counsel (GC) Nicholas Vaskov. This matter would not have to return before the Board for subsequent approval unless the reviewers were not satisfied with the language in the opinion letters. Vice Chairman Geddes seconded.

Regent Lieberman and Vice Chairman Geddes accepted the friendly amendments.

Motion carried via a roll call vote. Chairman Page, Vice Chairman Geddes, and Regents Anderson, Carter, Crear, Del Carlo, Doubrava, Hayes, Lieberman, Moran and Stephens voted yes. Regent Trachok voted no. Regent McAdoo was absent.

Chancellor Reilly thanked the Stadium Authority Board, the Raiders and the negotiating team for their hard work. Chairman Page thanked Chancellor Reilly for his efforts.

The meeting recessed at 9:57 a.m. and reconvened at 10:03 a.m. with all members present except Regents Crear and McAdoo.

5. Approved – Allocation of One-Time Distribution from Operating Pool Reserve – The Board approved the proposed allocation to the institutions and System Administration of the special one-time distribution from the Operating Pool Reserve approved by the Board at the November 30-December 1, 2017, Board of Regents' meeting. (Ref. BOR-5 and supplemental material on file in the Board Office.)

Chancellor Reilly stated the Operating Pool Reserve is at a historic high. In recognition of this fact, a discussion of the potential uses of the funds was held at the November 30, 2017, Investment Committee meeting. The Committee requested the Chancellor present a list of institution initiatives at the January 2018 Board meeting for consideration by the entire Board of Regents in the amount of \$25 million. The action is consistent with prior special distributions from the Operating Pool Reserve where funds have been distributed to assist all NSHE institutions in achieving both institution and System strategic goals.

Chief Financial Officer (CFO) Chet O. Burton presented the details of the proposed allocation to the institutions and System Administration of the special one-time distribution from the Operating Pool Reserve. The Presidents have determined the use of their share of the funds based on their respective institutions for the greatest student benefit.

Regent Trachok asked for clarification of the instructions from the Chancellor's Office to each of the institutions. CFO Burton stated the guidance provided to the individual institutions was to deploy the funds in a manner that supported one of the five strategic goals approved by the Board and to provide student support and use the funds in the most impactful manner to support one of the strategic goals.

In response to a question from Regent Hayes, President Averyt responded if DRI received this distribution she would lower DRI's legislative request.

Regent Hayes asked what was included in the \$175,000 salary for the Inspector General. CFO Burton stated it is an estimate based on the anticipated full salary and benefits.

Vice Chairman Geddes stated both TMCC and UNR have planning funds allotted and he wanted to make sure there were funds behind the planning funds to do the work. President Hilgersom reported TMCC has a complete financial plan which relies on between \$6-\$8 million in private donations with the remainder being debt service. President Johnson stated UNR has arranged for \$400 million in capital improvements and \$65 million in state funds. This will help stimulate the timeline to get designs done on laboratory improvements related to the research objective.

In response to a question from Vice Chairman Geddes, President Jessup stated the outside firm is finishing its work in determining what amount is in the reserves, with an analysis coming forward at a subsequent meeting.

President Burton stated discussions were held on how the funds would be distributed in response to a question from Regent Moran.

5. Approved – Allocation of One-Time Distribution from Operating Pool Reserve –
(Continued)

Regent Trachok clarified each of the requests were to directly support the goals and metrics of the System and asked each President to explain their request.

President Helens stated GBC's request is directly related to:

- Improving student success by providing a clean safe environment to learn.
- Increasing access by improving connectivity.

President Patterson stated NSC's request is directly related to:

- Improving student success by putting more resources into full-time faculty and advising.
- Improving student success by providing a new one-stop building.

President Johnson stated UNR's request is directly related to:

- Improving student success, retention and graduation rates by creating a mentor program for undergraduate, ethnically-diverse populations.
- Improving research by creating more quality research laboratories.
- Improving research by creating more quality spaces to be more attractive to faculty and graduate students.

President Richards stated CSN's request is directly related to:

- Improving student success by enhancing the instructional mission.
- Improving student success by investing more resources into advising and counseling.
- Increasing student access by targeting a partnership with the Clark County School District.
- Increasing student access by replacing obsolete systems within the elevators on the campuses.

President Averyt stated DRI's request is directly related to:

- Improving research by focusing on deferred maintenance and the replacement of fume hoods.

Acting President Ghan stated WNC's request is directly related to:

- Improving student success by replacing the HVAC system in the Cedar Building.

President Jessup stated UNLV's request is directly related to:

- Improving student success by improving safety and security by adding more call boxes and cameras on campus.
- Improving student success by improving space utilization by converting some space to make it more contemporary and usable.

5. Approved – Allocation of One-Time Distribution from Operating Pool Reserve –
(Continued)

- Improving student success by improving computer labs and classroom technology.

President Hilgersom stated TMCC's request is directly related to:

- Improving student success by improving parking lots in need of significant repair.
- Improving workforce development by improving the culinary arts program which is directly related to the local workforce.
- Improving workforce development and increasing student access by adding more resources to the arts.

In response to a question from Chairman Page, President Jessup stated the telecommunications upgrade is extensive and ongoing. Once the funds are used then UNLV will draw from other funds to continue the infrastructure improvements.

Chancellor Reilly explained that if the one-time allocation is approved the System will work with the institutions on the implementation. CFO Burton stated the System will follow-up with the institutions as the distributions are made. The allocations are subject to the projects listed by the institution so if the institution wanted to utilize the funds in a different manner it should return to the Board for approval.

Regent Del Carlo requested a follow-up report at the December Board of Regents' meeting.

Regent Stephens stated Internal Audit would be happy to provide a follow-up audit. Regent Stephens did not have any concerns about this process and felt it was entirely appropriate to allocate the funds in this manner.

Regent Hayes reiterated this was discussed during the Investment Committee and every Regent approved the Investment Committee Report and the minutes within that report.

Regent Del Carlo moved approval of the proposed allocation to the institutions and System Administration of the special one-time distribution from the Operating Pool Reserve approved by the Board at the November 30-December 1, 2017, Board of Regents' meeting. Regent Anderson seconded. Motion carried. Regents Crear and McAdoo were absent.

President Johnson thanked the Board of Regents as this will benefit students, research and the community.

6. Approved – Strategic Planning: Goals, Metrics, Peer and Aspirational Institutions, and Values – The Board approved the strategic planning goals, metrics, peer and aspirational institutions, and values to include a metric under research that measures intellectual property outcomes. (Ref. BOR-6 on file in the Board Office.)

Chancellor Reilly presented a PowerPoint titled “NSHE Strategic Values, Goals, Metrics & Peers” including: NSHE Strategic Plan Goals; Values; Goal 1, Access; Goal 1, Metrics; Goal 2, Success; Goal 2, Metrics; Goal 3, Close the Achievement Gap; Goal 3, Metrics; Goal 4, Workforce; Goal 4, Metrics; Goal 5, Research; Goal 5, Metrics; Peers; Outreach; and Next Steps Data Dashboards.

In response to a question from Regent Stephens, Vice Chancellor Crystal Abba stated the System recently prepared an analysis for the Chancellor and Presidents. The analysis took the occupations and used federal standard occupation codes and then mapped them to the System’s degree programs to show demand for the state overall, and how the System is meeting that demand. Regent Stephens stated she thought the System was looking at job postings and connecting them to the System’s programs. Vice Chancellor Abba stated that is the Burning Glass tool. Vice Chancellor Nate Mackinnon stated there is a contract with Burning Glass that has been used on a pilot basis for a very specific cohort.

Chairman Page clarified that the peer institutions will not change without returning to the Board.

In response to a question from Regent Anderson, President Richards stated all five peer institutions are appropriate for comparison.

Regent Hayes believed each institution should have three aspirational institutions.

In response to a question from Regent Carter, President Averyt responded DRI would continue to be branded as an environmental research institute. President Averyt stated it is difficult to come up with direct comparisons because DRI is so unique. She did believe DRI will expand outside of environmental science.

Regent Carter asked if it would be worthwhile to include patents under the research metric. President Jessup stated universities are starting to take into account tech transfer commercialization outcomes. President Johnson stated UNR has reported patents that have been generated, as well as new faculty startup businesses. There are many measures based on the output of research and commercialization that can be listed.

Regent Stephens left the meeting.

Chancellor Reilly believed Regent Carter’s suggestion was a good one and said he would return with a metric associated with it.

6. Approved – Strategic Planning: Goals, Metrics, Peer and Aspirational Institutions, and Values – (Continued)

Regent Anderson moved approval of the strategic planning goals, metrics, peer and aspirational institutions, and values. Vice Chairman Geddes seconded.

Regent Carter offered a friendly amendment to include a metric under research that measures intellectual property outcomes.

Regent Anderson and Vice Chairman Geddes accepted the friendly amendment.

Motion carried. Regents Crear, McAdoo and Stephens were absent.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – Chancellor Reilly stated this is the beginning of the budgeting process. The Regents will hear a synopsis from the Presidents as to what each sees as their highest priority. The presentation is informational, but the System would like some direction as to what to return with at the April 2018 Special Board of Regents' meeting. (*Refs. BOR-7a, BOR-7b and supplemental material on file.*)

The meeting recessed at 11:17 a.m. and reconvened at 11:38 a.m. with all members present except Regents Crear, Doubrava, McAdoo and Stephens.

8. Information Only – Strategic Planning: NSHE System Office Staffing (Agenda Item 9) – Chancellor Reilly presented a proposal to restructure the NSHE System Office to respond to the needs and goals identified at the Board's October 19-20, 2017, special meeting and workshop, including expanded quantitative analysis, facilitating transfer and articulation, higher education policy analysis and public relations. (*Refs. BOR-9a and BOR-9b on file in the Board Office.*)

Chancellor Reilly proposed three positions: Transfer and Articulation Ombudsman; Institutional Research Analyst; and Research/Policy Analyst.

Regent Trachok clarified the positions are backfilling positions that are already in the budget. Chancellor Reilly stated they are vacant positions and not new FTE. Chancellor Reilly stated the Transfer and Articulation Ombudsman will report to either the Vice Chancellor for Academic and Student Affairs or the Vice Chancellor for Community Colleges, or both in a shared arrangement. The Institutional Research Analyst will report to the Vice Chancellor for Academic and Student Affairs.

Regent Stephens entered the meeting.

8. Information Only – Strategic Planning: NSHE System Office Staffing (Agenda Item 9) – (Continued)

In response to a question from Regent Trachok, Chancellor Reilly stated that Academic and Student Affairs may not be staffed at 100 percent but is making great strides.

Regent Doubrava entered the meeting.

Regent Trachok asked if Vice Chancellor Constance Brooks will have enough support in Carson City to accomplish the goals set forth by the Board of Regents. Chancellor Reilly stated EPSCoR is being moved under Vice Chancellor Brooks. Communications will move under the Chancellor and Mr. Michael Flores, Chief of Staff to the Chancellor. During the legislative session, Mr. Flores will join Vice Chancellor Brooks in Carson City.

Vice Chairman Geddes requested an updated organizational chart.

Regent Carter clarified that \$1 million was asked for earlier to establish these positions. Chancellor Reilly stated he asked for one-time bridge money to bring the positions on. The \$1 million was to accomplish some repairs and consolidation of some buildings.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

CFO Burton presented a PowerPoint titled “NSHE FY 2020 and 2021 Budget Preparation” including: Agenda; 2017 Legislative Session; NSHE: Biennial Operating Budget Total General Fund Appropriation; Funding Distribution formula: WSCH Value; FY 17 General Fund Compared to Legislatively Approved FY 18 General Fund; FY 17 General Fund Compared to Legislatively Approved Formula Budgets FY19 General Fund; FY 17 General Fund Compared to Legislatively Approved Formula Budgets FY 18 and FY 19 General Fund; 2017-2019 Cost of Living Adjustments; Biennial Budget Summary FY 2017-18 and FY 2018-19 Budget Major Initiatives (in millions); Community Colleges CTE Formula Weighting Enhancement; Capacity Building Enhancement; 2017-2019 Capital Improvement Program; HECC/SHECC Distribution: 2017-2019 Biennium; Process for Preparing the 2019-21 Budget; Common Themes Heard During Campus Visits; Faculty and Staff Compensation; New Initiatives-Summer School State Funding; New Initiatives-Performance Funding; Estimated Incremental Budget Impacts from Enhancements Approved in 2017 on Next Biennium; Proposed 2019-2021 CIP Priorities by Institution Currently Funded Planning Projects (correction made to slide); and Proposed 2019-2021 CIP Priorities by Institution.

In response to a question from Chairman Page concerning efficiencies on the horizon, CFO Burton responded that examples include not paying leases anymore and bringing fee for service functions in-house.

Regent Carter asked if “maintained square footage” is calculated the same at all the institutions. CFO Burton reported guidelines on how to calculate the square footage were provided to all the institutions.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

Regent Trachok left the meeting.

Regent Stephens asked if there was already a mechanism in place for a new building's maintenance. CFO Burton responded guidance from State Public Works related to deferred maintenance impacts buildings from the 6th year forward. The assumption for newer buildings is that the institutions have factored in maintenance costs. Regent Stephens asked if that factor had been built into the financing and what is being done proactively to address the issue. CFO Burton stated the System continues to grow and funding is static. It will become a more acute problem until the issue is addressed. Vice Chairman Geddes stated Regent Stephens is correct that some institutions asked for student fee increases and a portion of it was set aside for maintenance and refresh. CFO Burton agreed that is correct when there is a dedicated revenue stream.

Chairman Page asked if that could be confirmed related to the new buildings that have come on. President Johnson reported under the formula, operating and maintenance is allocated for the building. President Jessup stated UNLV is not pulling anything from the construction funds but planning other sources of funds for maintenance.

In response to a question from Regent Del Carlo, CFO Burton stated the assumption has been made that the funding model is for the traditional academic year and that summer school is outside of that.

Regent Trachok entered the meeting.

In response to a question from Regent Carter concerning summer school funding, President Johnson stated there are summer Pell Grants. Chancellor Reilly stated the struggle is the price tag. If the System could pilot a program and attach it to high demand workforce issues to make the argument that students will graduate early, or certificates would be completed quicker if state funding was available in the summer it could be presented to the Legislature.

President Johnson stated UNR has not found it beneficial to have a deferred maintenance pool for each building, but instead a central renovation fund that addresses issues for multiple buildings.

President Jessup stated UNLV also accumulates funds in a facilities maintenance account and then uses it as needed.

Vice Chairman Geddes believed a true performance bonus pool for faculty is worth pursuing. In a true performance pool, those funds cannot be included in faculty compensation. Chancellor Reilly stated there have been discussions related to strategies for increasing faculty compensation.

Chairman Page left the meeting.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

CFO Burton clarified on slide 21, that planning money was provided in the 2017 Legislature for the UNLV Engineering Academic and Research Building, the NSC Education Building and the CSN Health and Science Building which makes them the top priorities going into the next session since the Legislature already provided the planning funds. The UNLV Medical Education Building did receive \$25 million in the last session, but it was not considered planning money. The assumption is that going forward UNLV will fund and support the project in terms of the total build out. UNLV is in discussions with State Public Works on how they can partner up front on the design of the project and then have it transition during the construction phase as the money is provided by UNLV.

Chairman Page entered the meeting.

Vice Chairman Geddes asked if the \$25 million in private dollars would have to be spent first before accessing the \$25 million in planning money. CFO Burton stated that is how the statute is written.

Regent Stephens asked for updates with details to understand the pros and cons of the discussions with State Public Works and the process that may be followed related to the UNLV Medical Education Building. Chancellor Reilly stated the item has been scheduled for the March Board of Regents' meeting to provide a specific update on the issues.

Regent Hayes thanked the Chancellor and his staff for the presentation. Regent Hayes clarified that whatever projects that are finalized by the Regents should be the only projects that are lobbied on at the Legislature by the institutions. He added that he could not think of any other issue that addresses all five goals than summer school funding.

Regent Hayes stated the System should look at formula funding in the future as he believed it is an incentive for the research institutions.

Ms. Kanani Espinoza, GPSA President, UNLV, reported the Nevada Student Alliance (NSA) is eager to work with each of the institutions, Presidents, Chancellor and the Board of Regents to propose significant changes for the students. The NSA is in favor of summer school funding by the state and seeking and retaining highly sought-after faculty.

Ms. Cheryl Cardoza, Faculty Senate Chair, TMCC, reported the primary budget concern for faculty is compensation. A comprehensive faculty compensation package is needed to help recruit and retain quality faculty at the institutions. The package should include nationally competitive salaries, appropriate raises for performance and a benefits package that meets the needs of professionals in education. Any attempt to address faculty compensation should address the performance pool allocation plans. The Chancellor's efforts are appreciated to look for more flexibility. Should the institutions be given that flexibility, then there should be accountability to the Board of Regents for the choices

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

made. A report on the benefits resulting from each institution's plan would help bring tangible results back to the Legislature, but any such plans should be made in the spirit of shared governance. The various institutions strongly support more funding for deferred maintenance in a realistic and systematic manner for all the institutions. While the community colleges are thankful that the new Career and Technical Education (CTE) funding has helped make up deficiencies in the funding formula, faculty would prefer CTE funding be more flexible. Faculty worries that certain majors will be removed because they are not trending in the state's Workforce and Development plans.

The meeting recessed at 12:43 p.m. and reconvened at 12:52 p.m. with all members present except Regents Crear, Lieberman and McAdoo.

President Jessup presented UNLV's slides in the PowerPoint including: Planning Framework; Top Tier UNLV; UNLV Non-Formula Budgets; Summary: UNLV State Funding Requests for Biennial 2019-2021: Non-Formula; School of Medicine; Dental School; Law School; Athletics; Statewide Programs; Business Center South; and Summary: UNLV State Funding Requests for Biennial 2019-2021: Non-Formula.

Regent Lieberman returned to the meeting.

Regent Stephens stated she had heard there may be some issues with the Dental School at this time and asked whether it was a good time to be expanding to other areas. President Jessup stated it was. The Dental School is serving 35,000 patients a year. UNLV discovered and is fixing an issue that was not up to the standard of care. This issue may affect hundreds of patients, but the broad majority of service is good high-quality care.

President Jessup stated he fully supports the need for summer school funding. He stated the engineering building will satisfy the student demand that engineering has but also increase laboratory capacity to complete grant-funded research expenditures. It will allow the Engineering Department to take in more students and produce more graduates which were noted in the state labor forecast as high need.

Regent Stephens asked for more data because the last she saw was that there were fewer jobs available in engineering, particularly in southern Nevada.

President Johnson presented UNR's slides in the PowerPoint including: Big Goals; NSHE Funding Formula; Enhancement Recommendation; Enhancement Proposal; NSHE Performance Pool; Advanced Manufacturing Research Initiative; 2019 Legislative Session Enhancements-System-Wide; 2019 Legislative Session Enhancement Requests; Statewide Engagement; University of Nevada, Reno School of Medicine Transformation; University of Nevada, Reno School of Medicine Enhancement Request; University of Nevada, Reno Athletics; Capital Improvement Project; and 2019 New CIP Request.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

Regent Stephens stated that one of the byproducts of the investment that was made into the UNLV School of Medicine (UNLV SOM) was that the UNR School of Medicine (UNR Med) would be focused on northern and rural Nevada. She asked if the underserved communities mentioned meant rural communities, with President Johnson responding yes. Regent Stephens added it is a critically important issue for people in Nevada to have access to medical care.

Regent Hayes asked if the System was able to get weighted student credit hours (WSCH) for all terms, would that be enough to alleviate the need for the life science building. President Johnson stated UNR has not assessed that. UNR will place a high priority on the funding for summer school credits in order to hire additional staff to help with the teaching load.

President Johnson stated Biology is one of the largest majors at UNR and there is a broad range of opportunities in Biology.

Regent Trachok left the meeting.

President Patterson presented NSC's slides in the PowerPoint including: Last Biennium Enhancement Requests; Budget & Enhancement Requests; Academic Programs: Masters in Speech Pathology; Academic Programs: Early Childhood; Academic Programs: Informatics/Data Science; Teacher Academies; Enhance & Grow Statewide Mission; and Capital Requests.

Regent Anderson stated she has heard how very important the Speech Pathology Program is and it will be the only one in the state that will offer a Masters Degree.

Regent Hayes commended NSC on its programs focusing on the critical needs of education.

President Averyt presented DRI's slides in the PowerPoint including: Biennial Budget & Legislative Requests; DRI Strategic Directions; DRI Funding Formula Request: Maintenance Adjustment; Capital Improvement & Deferred Maintenance Requests; Enhancement Requests; and Nevada Graduate Fellowship.

Vice Chairman Geddes asked if he could assume that during the laboratory renovations and remodel DRI would be working with UNLV Facility Services since they may be the logical people to move into the building. President Averyt stated the conversations had not been had but it is the logical thing to do.

In response to a question from Chairman Page, President Averyt stated replacing the HVAC has been a need for 10 years.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

Regent Stephens believed priority three was exactly where the industries were going with cybersecurity informatics, but she did ask to understand how that was not shifting the mission and specialization of DRI for what it is already known for. President Averyt stated that when speaking of the environment, it is not just about air, water and land, it is also about people. If you are going to handle information about people, then it needs to be handled in a secure manner and that is where the cybersecurity component comes from.

In response to a question from Regent Hayes, President Averyt stated facilities are doing a great job keeping the HVAC working and she hoped it would last another 10 years, but there is always a risk of a catastrophic failure.

Regent Stephens found the idea of the Nevada Graduate Fellowship the most interesting and challenged President Averyt to use this as an opportunity to tie into the strategic goals. Chancellor Reilly stated there was a healthy discussion with DRI faculty on how they tie into the strategic goals.

Chairman Page left the meeting.

Regent Doubrava asked where the enhancement request priority one instrumentation will be housed. President Averyt responded: 1a-Northern Nevada; 1b-Northern Nevada; 1c-Southern Nevada; 1d-Northern Nevada; and 1e-Northern Nevada.

Regent Hayes left the meeting.

Dr. Margo Martin presented CSN's slides in the PowerPoint including: Policy Request; Operating Policies; and Capital Request.

Regent Hayes entered the meeting.

In response to a question from Regent Moran, Dr. Martin stated CSN does have Academic Success Centers but they are named Centers for Academic Success. CSN does not have one central location where students looking for tutoring might go.

Regent Anderson stated CSN was asking for \$4 million for elevator replacement and asked if the earlier distribution was also being used for elevators. Dr. Martin stated the earlier distribution was for maintenance of the elevators on all three campuses.

Regent Moran left the meeting.

President Helens presented GBC's slides in the PowerPoint including: 2019-2021 Budget Planning; GBC Enrollment; 2019-2021; Collaboration Example; GBC Capital Projects-Priorities; and GBC Deferred Maintenance.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

Regent Hayes stated with the 86,000 square miles of GBC's geography whether at a later time would it be wise to begin planning for a stand-alone college in Nye County to help serve some of the southern rural counties. President Helens believed it was always important to look at options and when the Board talks about the sustainability of the System and does look at the options, GBC will be a willing partner.

President Hilgersom presented TMCC's slides in the PowerPoint including: Priority Requests to NSHE; Top Priority State-Funded Capital Project DRI-TMCC Science Solutions Center; Expansion of Enhancements; Employee Rank Advancements, Part-Time Pay and COLA; New Enhancements Related to Industry Certifications; New Enhancements for Summer Instruction; and Formula Framework and Performance Pools.

Regent Stephens stated during the recession there was reliance on part-time faculty and asked if there was going to be a shift back to the prior model.

Regent Carter left the meeting.

President Hilgersom stated this is a national problem. The pay for part-time faculty must be improved and at the same time, the number of full-time positions must be increased. TMCC is working hard with 18 full-time faculty searches going on currently.

Chairman Page entered the meeting.

Regent Stephens stated the Board has heard there are issues with full-time compensation and that the System is not competitive. If the System is trying to shift the paradigm are the resources available and will the increasing of part-time faculty compensation detract from being competitive. President Hilgersom believed it was an excellent question that requires a delicate balance. TMCC is worried that the part-time faculty are being hired at UNR where they can make better money.

Regent Carter entered the meeting.

Regent Stephens stated she would like to understand the dynamic of part-time faculty working full-time with the hopes of transitioning to full-time. It is her perception that part-time faculty should be retirees or working professionals who are bringing their real-world experience to the campus as opposed to using that as a substitute for hiring full-time faculty.

Acting President Ghan presented WNC's slides in the PowerPoint including: 2020 Biennium Enhancements & Priorities; Budget Priority: Summer School FTE; Budget Priority: Additional Weighting; Budget Priority: Continuation of Capacity Enhancements; Budget Priority: Continuation of Nevada Promise Scholarship; State-Funded Capital Project Requests; and Summary.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

Chancellor Reilly reported 2017 was the year of “Higher Education” in terms of legislative priorities. While not everything was funded at 100 percent, such as the capacity building initiatives, everything that was requested was funded at some level, in addition to funding for enhancements that were not in the Governor’s recommended budget such as the \$3.5 million for FY 19 to fund the Nevada Promise Scholarship program.

The Board’s top priority in 2017 was faculty and staff compensation, which was for merit pay for professional staff and faculty at just under 2 percent each year of the biennium. The Governor did not recommend any merit pay but requested a cost of living (COLA) at 2 percent each year. The Legislature approved the COLA at 3 percent for each year, plus classified employee step increases and a 5 percent salary increase for classified employees working in information technology (IT) fields.

In the last session, NSHE received 100 percent of the weighted student credit hour increase in caseload growth which totaled just over \$57 million. The UNLV SOM buildout was funded at \$13 million, the CTE increase in weighted student credit hour weighting was fully funded at \$21.4 million, the Silver State Opportunity Grant was funded at \$5 million per year for a total of \$10 million, \$200,000 was provided to DRI as a formula correction and just under \$10 million was provided for capacity enhancements for FY 19. While not an NSHE request, there was also \$8 million provided for the Workforce in a New Nevada (WINN) initiative funded through GOED that is partially used for workforce training at the community colleges.

On the capital side, the funds for fitting out the new Hospitality School at UNLV were provided as well as 50 percent of the projected cost of a new engineering building at UNR. While not in the Governor’s recommended budget, planning funds were provided for a new engineering school building at UNLV, an Education building at Nevada State College and a Health Sciences facility to be jointly used by CSN and NSC. The Legislature also provided \$25 million to assist in building the new UNLV SOM building.

In looking forward to the next biennium, System representatives visited each campus and DRI to hear their requests for building the 2019-21 budget as well as any requested enhancements and their capital requests for the next biennium. Common themes heard included the enhancements approved in the last session such as CTE weighting and capacity building funding, as well as addressing faculty and staff compensation issues and supporting the formula funding model by funding any related growth driving by increases in WSCH by institution.

The price tag attached to enhancements approved in 2017 will total approximately \$85 million for fiscal years 2020 and 2021. This includes years two and three of the capacity building initiative at over \$70 million, an additional \$3 million for the CTE weighting, funding two years of the Nevada Promise Scholarship program at a cost to be determined and continuing to pay the full COLA approved in the 2017 session.

7. No Action Taken – 2019-21 Biennial Operating Budget/2019 Capital Improvement Projects – (Continued)

In terms of new enhancements, the most common requests were for a true performance pool, not a carve-out from the base weighted student credit hour model as is currently done, state funding for summer school and looking at expanding the weighting for CTE programs to include health sciences. All these enhancements are expensive.

Chancellor Reilly stated that anticipating that there will be limited dollars available as the new budget is built, it is recommended that the Board keep the request for any new enhancements beyond those already approved to a minimum. Chancellor Reilly recommended funding a true performance pool that an institution could earn by significantly exceeding Board approved measurements tied to the five strategic planning goals. He also recommended expanding the very limited funding now provided for summer school beyond just nursing to other high demand workforce occupations. This would further the goals of student access and workforce.

Chancellor Reilly recommended the Board request COLA be provided to NSHE employees at the same rate as approved for other state agencies. To address the compensation issues, Chancellor Reilly recommends that the System look at alternatives such as a true performance pool that includes funding that can be earned by exceeding rigorous goals.

Chancellor Reilly recommended the Board's request be limited to the three projects that were provided planning funding from the last session:

1. The UNLV Engineering School's new building.
2. CSN and NSC's joint use health sciences facility
3. New teaching college building at NSC

The Board may also want to consider a request to address the deferred maintenance backlog. The HECC/SHECC funding traditionally used to fund maintenance has been static for the last three sessions and there is no indication that additional funds under these programs will be available in the future.

Vice Chairman Geddes believed it was important to remember that the Silver State Opportunity Grant has allowed many children to attend college. The current Governor is supportive of the Millennium Scholarship, but no one knows if the next Governor will be, so it should be kept on the list of priorities. The Knowledge Fund has also been successful. The System must not lose focus on the programs that have benefited the institutions. He requested that the Chancellor, staff and the Presidents have a rigorous discussion with Governor's Office about deferred maintenance. It is far easier to maintain a building than build a new one.

Regent Hayes asked if the System was able to get funding for all terms if it would enable the System to better utilize the current buildings. He asked if during the salary survey if they could find out if the turnover is significantly higher than the peer aspirational institutions.

9. Postponed – NSHE Inspector General (Agenda Item 8) – Postponed to March 2018 Board of Regents' meeting. (Ref. BOR-8 on file in the Board Office.)
10. Postponed – Transfer and Articulation: Articulation Coordinating Committee and Ombudsman – Postponed to March 2018 Board of Regents' meeting.
11. Postponed – Legislative Strategies – Postponed to March 2018 Board of Regents' meeting. (Ref. BOR-11 on file in the Board Office.)
12. Postponed – Strategic Planning: Board Committee Structure – Postponed to March 2018 Board of Regents' meeting.
13. Information Only – New Business – Regent Stephens requested the Athletics Committee review agreement language related to UNLV when playing other schools. She also requested UNLV bring back a detailed plan related to WIFI pricing and the timeline for completion.

Regent Carter requested the Board review for possible revision Board policy related to NSHE executives and granting 365 days notice. He believed it may be a detriment to the Chancellor and his ability to build his team.
14. Information Only – Public Comment – Ms. Tammy Roseberry read a statement from her daughter in support of TMCC Professor Dr. Kyle Simmons.

Regent Doubrava left the meeting.

Chairman Page and Chancellor Reilly thanked President Richards for his service to the NSHE.

The meeting adjourned at 3:04 p.m.

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