

**BOARD OF REGENTS  
BRIEFING PAPER**

1. **AGENDA ITEM TITLE:** Handbook Revisions to Effectuate Committee Structure and Schedule Revisions

**MEETING DATE:** November 16, 2018

**2. BACKGROUND & POLICY CONTEXT OF ISSUE:**

On October 19, 2018, the Board of Regents took action to revise committee structure and meeting schedules. To effectuate said action, amendments to the following Handbook provisions are required: Title I, Article VI - Bylaws of the Board of Regents; Title 4, Chapter 10 – General Business Management; Title 4, Chapter 24 – NSHE Intercollegiate Athletics; and Title 4, Chapter 9 and Chapter 10 references to committee names that are being changed.

Bylaw amendments require a 2/3 affirmative vote.

**3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:**

- a) Approve amendments to the NSHE Handbook Title I, Article VI - Bylaws of the Board of Regents; and
- b) Approve amendments to the NSHE Handbook Title 4, Chapter 10 and Chapter 24.
- c) Approve amendments to update committee names referenced in Title 4, Chapters 9 and 10.

**4. IMPETUS (WHY NOW?):**

These amendments are necessary to effectuate previously approved revisions to committee structure and schedules.

**5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:**

- Access (Increase participation in post-secondary education)
- Success (Increase student success)
- Close the Achievement Gap (Close the achievement gap among underserved student populations)
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- Research (Co-develop solutions to the critical issues facing 21<sup>st</sup> century Nevada and raise the overall research profile)
- Not Applicable to NSHE Strategic Plan Goals

**INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL**

N/A

**6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

Amendments are necessary to effectuate previously approved revisions to committee structure and schedules.

**7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:**

N/A

**8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:**

Recommend alternate language to effectuate the action taken by the Board on October 19, 2018.

**9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:**

Approve Handbook Revisions

**10. COMPLIANCE WITH BOARD POLICY:**

- Consistent With Current Board Policy: Title # \_\_\_\_\_ Chapter # \_\_\_\_\_ Section # \_\_\_\_\_
- Amends Current Board Policy: Title 1, Article VI, Sec. 3; Title 4, Ch. 10, Sec. 5-6; Title 4, Ch. 24, Sec. 1; Title 4, Chapters 9 and 10 (revise references to committee names)
- Amends Current Procedures & Guidelines Manual: Chapter # \_\_\_\_\_ Section # \_\_\_\_\_
- Other: \_\_\_\_\_
- Fiscal Impact: Yes \_\_\_\_\_ X No \_\_\_\_\_  
Explain: \_\_\_\_\_

***POLICY PROPOSAL***  
***TITLE 1, ARTICLE VI, SECTION 3***  
Bylaws of the Board of Regents

Additions appear in ***boldface italics***; deletions are [~~stricken~~ and bracketed]

Article VI – Committees of the Board

...

Section 3. Standing Committees and their Duties

The following shall be the standing committees of the Board and their duties:

- a. The Audit, ~~and~~ Compliance ***and Title IX*** Committee shall:
  1. Review and evaluate internal audit reports, compliance reports, and follow-up reports;
  2. Recommend to the Board independent certified public accountants to audit the financial books and records of the NSHE and review and evaluate the reports of such independent certified public accountants;
  3. Formulate and make recommendations to the Board regarding policies necessary for the enforcement of sound accounting/auditing practices and an effective compliance function;
  4. Evaluate and make recommendations on internal controls; and
  5. Make such recommendations, as it deems necessary for the correction of deficiencies in management practices discovered by audit reports, or for the resolution of issues pertaining to non-compliance with policies, procedures or other requirements.
  6. Provide centralized oversight of programs for compliance with policies, procedures and other requirements.
  7. Monitor the performance of the internal audit and compliance functions.
  8. Review the respective Internal Audit Charter and Compliance Charter on a periodic basis to ensure the functions are complying with professional standards and addressing emerging issues appropriately.
  9. ***Examine information and indicators regarding Title IX compliance and make any policy recommendations to the Board; and***
  10. ***Make recommendations to the Board regarding Title IX initiatives that foster awareness of and enhance commitment to a non-discriminatory campus environment.***
- b. The Business, Finance and Facilities Committee shall:
  1. Review and recommend to the Board the operating budget requests and work programs for the NSHE, with the primary objective of affirming the connections between the NSHE Master Plan and System-wide priorities, budget requests, and funding allocations;
  2. Review and recommend to the Board the self-supporting budgets and work programs for the NSHE;

3. Make recommendations to the Board for the financing of the activities of the NSHE and the expenditure or use of NSHE financial resources;
4. Review institutional and System proposals that create added fiscal requirements and/or alter established planning directions;
5. Oversee System direction of, or participation in, studies of funding mechanisms and approaches for public higher education in Nevada;
6. Review and make recommendations on NSHE risk management; *and* insurance programs; ~~and safety and security measures;~~
7. Monitor the technology needs and systems of the NSHE to ensure optimal use of resources for integrated system-wide information systems and other proper strategic uses of technology within the NSHE;
8. Review institutional requests to purchase or dispose of NSHE property;
9. Review all institutional requests to enter into property lease agreements in accordance with Board policy and applicable law;
10. Review any requests to lease NSHE property to an outside agency or private entity;
11. Review the land acquisitions and disposal portions of all institutional master plans;
12. Review all institutional requests for easements on NSHE property;
13. Review annual update of all NSHE property holdings and long-term leases;
14. Review and recommend to the Board the NSHE capital improvement priority lists, with the primary objective of affirming the connections between the requests and the institutional facilities master plans;
15. Review and recommend to the Board institutional facilities master plans;
16. Review and recommend to the Board a System space utilization model and periodically review institutional and System-wide space utilization data; and
17. Review and make recommendations to the Board regarding the Board's Efficiency and Effectiveness Initiative.

...

d. The Cultural Diversity and Title IX Compliance Committee shall:

- a. Study issues and recommend policies to the Board in an effort to promote cultural and ethnic diversity, including, but not limited to, socio-economic, historical, cultural, capability, identity, gender, expression, linguistic and intellectual differences and similarities, throughout the System in order to ensure access and equity for all students, staff and faculty.
- b. Review and examine issues, information, and activities that promote diversity among the students, staff and faculty of the System;
- c. Examine information and indicators regarding student access and equity;
- d. Make recommendations to the Board intended to create, enhance, promote, and support an educational environment that welcomes all cultural and ethnic minorities;
- e. Take actions appropriate to increase awareness, visibility, and emphasis of campus diversity programs.
- ~~f. Examine information and indicators regarding Title IX compliance and make any policy recommendations to the Board; and~~
- ~~g. Make recommendations to the Board regarding Title IX initiatives that foster awareness of and enhance commitment to a non-discriminatory campus environment.~~

...

- h. The Athletics Security Committee shall:
- ~~1. Study the athletic programs of the two universities and make recommendations to the Board regarding at what level each university is able to compete without additional state, student and university subsidies.~~
  - ~~2. Recommend to the Board a mission statement for intercollegiate athletics in Nevada.~~
  - ~~3. Evaluate the mission of intercollegiate athletics at the Community Colleges and analyze conference affiliations and make recommendations to the Board.~~
  - ~~4. Conduct an initial review of the annual reports submitted in accordance with NSHE Handbook Title 4, Chapter 24.~~
  - ~~5. Review the athletics Capital Improvement Plans and financing criteria for development and renovation of athletic facilities and make recommendations to the Board.~~
  - ~~6. Review the athletic department budgets included in the annual reports which must include budgeted to actual in current year, previous two years and projections for the upcoming four years, and make recommendations to the Board.~~
  - ~~7. Recommend contract templates and guidelines for the Athletic Department personnel to the Board.~~
  - ~~8. Review NSHE Handbook Title 4, Chapter 24 and recommend changes to the Board, as necessary.~~
  - ~~9. Monitor the athletic and academic success of the athletic programs.~~
  - ~~10. Monitor the efforts of the athletic programs aimed at equal opportunity and diversity, including Title IX gender equity (participation, scholarship, and other program components), and equity in athletic department salaries and hiring practices.~~
  - ~~11. Monitor the compliance of the athletic programs with NCAA/NJCAA requirements, conference rules, and other obligations.~~
  - ~~12. Evaluation and periodically review student fees used by the institutions to support athletic department activities.~~
- 1. Study issues and policies to maintain a secure environment where students, faculty, staff and visitors may safely live, learn and work;*
  - 2. Review policies, procedures and best practices concerning campus safety, homeland security and cybersecurity issues;*
  - 3. Monitor campus safety issues and receive quarterly updates from all institutions on campus crime statistics;*
  - 4. Ensure institutions develop and periodically update emergency response plans; and*
  - 5. Make policy recommendations to the Board intended to provide a safe and secure environment for students, faculty, staff and the public at all campuses and offices of the Nevada System of Higher Education.*

***POLICY PROPOSAL***  
**TITLE 4, CHAPTER 10**  
General Business Management

Additions appear in ***boldface italics***; deletions are [~~stricken~~ and bracketed]

Section 5. Statement of Investment Objectives and Policies for the Endowment Fund  
(effective July 1, 2017)

1. Introduction

...

- c. The Regents have delegated to the Investment Committee (the "Committee") the oversight of the Fund. The Chancellor, the Vice Chancellor for Finance, and the Director of Finance shall serve as ex officio nonvoting members of the Committee. The Board Chair shall appoint a Chair of the Committee and may appoint one or more individuals with investment knowledge or expertise to serve as nonvoting members of the Committee. [~~The Investment Committee shall meet at least quarterly.~~] Minutes of each meeting of the Investment Committee shall be provided to the Regents for acceptance at their next meeting.

...

6. Monitoring of Objectives and Results

- a. The Fund will be monitored for consistency in each manager's investment philosophy, return relative to objectives, and investment risk. The Fund Manager will provide reports to the System as are necessary including statements detailing all activity in the accounts and quarterly performance reports. Not less than quarterly, the Fund Manager will provide to the System and the Committee ***Chair*** a written summary of overall portfolio performance and review of asset allocation in relation to the investment objectives.

...

8. Roles and Responsibilities

...

- b. Effective and cohesive relationships between the Board of Regents, the Committee, the Finance Department and the Fund Manager are important to fulfilling the purposes of this Policy and the Fund. The major duties and responsibilities of the parties as determined by the Board are summarized as follows:

## Fund Manager

- Develop and recommend policies, guidelines and benchmarks to Investment Committee for approval.
- Review at least annually these Guidelines of Investment Policies and Objectives to ensure its appropriateness in the context of macroeconomic and market environments and the System's and the Fund's financial situation.
- Implement the policy asset allocation within specified ranges approved by the Investment Committee.
- Select and terminate investment managers in accordance with these Guidelines.
- Determine the amount of assets delegated to each investment manager.
- Monitor and report to the Committee *Chair* and System Staff the performance of each manager, each asset class, and the total portfolio on at least a quarterly basis.
- Communicate to the Investment Committee and System Staff any significant portfolio issues that might arise.
- Administer the Fund's day-to-day investment activities including the movement of funds within the Fund as well as inflows and outflows.
- Prepare all manager documentation for execution. Track and monitor the flow of such paperwork.
- Provide documentation to support the System's audit preparation.

...

## Section 6. Statement of Investment Objectives and Policies for the Operating Funds

### A. Introduction

...

3. The Regents have delegated to the Investment and Facilities Committee (*the "Committee"*) the management of the Fund within the parameters of these Guidelines. The Committee will be comprised of four Regents appointed by the Chair of the Board of Regents. The Chancellor, the vice for budget and finance, and the director of banking and investments will serve as ex officio nonvoting members of the Committee. The Chair of the Board of Regents will appoint a Chair of the Committee and may appoint one or more individuals with investment knowledge or expertise to serve as nonvoting members of the Committee. The Committee will meet [~~at least quarterly~~] ***at the discretion of the Committee Chair, but not less than two times during each calendar year during the first and third quarters.*** Minutes of each meeting of the Committee will be provided to the Regents for acceptance at their next meeting.

...

D. Monitoring of Objectives and Results

...

4. The System's staff will obtain monthly investment performance reports from each manager. The Committee shall have prepared and shall review, *at least two times per year*, [~~on a quarterly basis~~] an investment performance report setting forth the asset allocation of the total Fund and the investment returns for individual manager accounts and for the Fund. The returns shall be calculated on a time-weighted basis net of manager fees for the most recent quarter for which data are available and any other short-term periods that the Committee may select, including fiscal-year returns when such data are available. The Committee shall select an appropriate benchmark for each manager. The Committee will use the short-term performance data to monitor the fund and the managers for consistency of investment philosophy, returns relative to objectives and investment risk. Risk will be evaluated as a function of asset concentration, exposure to extreme economic conditions and performance volatility. At least one performance report each year shall include data for such longer periods of times as are specified herein. Regular communication with the managers concerning investment strategy and outlook is expected. Any decision to terminate a manager will normally be based on long-term, i.e., over a full market cycle, investment performance as well as other relevant factors.

...

F. Distribution Policy

...

3. Distributions from the Fund will be made monthly at an appropriate rate as determined by the Committee. In order to minimize the potential for a shortfall relative to expectations, the Committee will establish a spending rate on a biannual basis to allow the institutions to develop their biannual budgets with greater certainty. Each quarterly period, the Committee *Chair* will review the rate relative to the investment outlook and current surplus or deficit to consider its continued appropriateness.

***POLICY PROPOSAL***  
**TITLE 4, CHAPTER 24**  
NSHE Intercollegiate Athletics

Additions appear in ***boldface italics***; deletions are [~~stricken~~ and bracketed]

Section 1. Policies Concerning NSHE Intercollegiate Athletics

...

9. Board of Regents Reports

- a. At ***a meeting of the Board during the second quarter of each fiscal year*** [~~At the second regular Board meeting after the beginning of each new fiscal year~~], the Board shall conduct a complete review of the athletic department budget, mission statement, and five-year strategic plan (the "Annual Report"). Budget information must include detailed reporting on budget-to-actual for the prior five years, and revenue and expense projections for the current year and upcoming four years.



***POLICY PROPOSAL***  
**TITLE 4, CHAPTERS 9 & 10**  
Revise References to Committee Names  
(Housekeeping)

Additions appear in ***boldface italics***; deletions are [~~stricken~~ and bracketed]

References to committee names that are being changed shall be revised as follows:

- 1) References to “Audit and Compliance Committee” shall be amended to “Audit, [~~and~~] Compliance ***and Title IX*** Committee” in the following sections:
  - a. Title 4, Ch. 9(E), Sec. 1
  - b. Title 4, Ch. 9(E), Sec. 2
  - c. Title 4, Ch. 9(E), Sec. 3
  - d. Title 4, Ch. 9(E), Sec. 5(2)
  - e. Title 4, Ch. 9(E), Sec. 7(3)
  - f. Title 4, Ch. 9(E), Sec. 8(1)
  
- 2) References to “Audit Committee” shall be amended to “Audit, [~~and~~] Compliance ***and Title IX*** Committee” in the following sections:
  - a. Title 4, Ch. 9(A), Sec. 3(4)
  - b. Title 4, Ch. 9(A), Sec. 4
  - c. Title 4, Ch. 9(A), Sec. 5
  - d. Title 4, Ch. 9(A), Sec. 6
  - e. Title 4, Ch. 9(A), Sec. 7
  - f. Title 4, Ch. 9(A), Sec. 8
  - g. Title 4, Ch. 9(A), Sec. 9
  - h. Title 4, Ch. 10, Sec. 10(A)(h)