**Board of Regents Briefing Paper**

**Agenda Item Title:** Amendments to the Board of Regents Code, Title 2, Chapters 1 and 5 Including, but Not Limited to, Amendments to Curricular Review Provisions, Separation of Curricular Review and Financial Exigency, and Procedural Amendments.

**Meeting Date:** Sept. 6-7, 2012

1. **Background & Policy Context of Issue:**

   The Code Review Task Force has been working on proposed amendments to the Code, Title 2, Chapters 1 and 5 regarding both curricular review and financial exigency. The Task Force in consultation with the Faculty Senate Chairs has prepared revisions to the Code regarding curricular review, which include separating financial exigency from curricular review. While the proposal does not make substantive changes to the Code provisions on financial exigency, it is recommended that the proposed procedural changes in Sec. 5.4.8 for curricular review should also be made in Sec. 5.4.6 for financial exigency. The proposal was presented to the Board at its meeting on May 30-June 1, 2012 for information and is now being presented for action.

2. **Specific Actions Being Recommended or Requested:**

   The attached proposal sets forth the proposed amendments. The amendments are summarized as follows:

   - Separate the current financial exigency/curricular review procedural section into Section 5.4.6 for financial exigency and Section 5.4.8 for curricular review.
   - Revise the definition of “curricular review” in Sec. 1.1(f) to include “declining student demand, changes in the mission of a system institution, or adverse financial conditions forcing a system institution to prioritize its projects, programs and curricula.”
   - Revise the curricular review process in Section 5.4.7 to specify that administration must consult with faculty senates regarding its written curricular review plan on the following:
     - the reasons for the proposed curricular revisions;
     - the criteria by which an administrative unit, project, program or curriculum were selected for curricular revision which results in the elimination of faculty positions;
     - the process and criteria that will be used in attempting to continue faculty members in employment under Sec. 5.4.8(b); and;
     - the process and criteria which will be used to determine whether a laid off faculty member should be offered reappointment under Sec. 5.4.8(c).

   In addition:

   - the administration shall provide access to all the financial data relied upon in developing the proposal;
   - an affected administrative unit, project, program or curriculum shall be given the opportunity to suggest alternatives to the initial proposal;
   - the faculty senate shall review the initial proposal (along with any alternatives suggested by an affected administrative unit, project, program or curriculum), and may comment on the necessity of the proposed curricular revisions and
make recommendations for alternatives to the proposed curricular revisions;
• the administration shall present the final curricular revision proposal to the
Board of Regents for approval at a regular or special meeting of the Board
before layoff notices are served.
The reconsideration process for laid off faculty is also clarified in Sec. 5.4.8 and it is
recommended that these changes should also apply to financial exigency in Sec. 5.4.6.

3. IMPETUS (WHY NOW?):
As a result of the curricular reviews that have occurred under the current Code
provisions, some changes and clarifications in the process are desirable. Since no
institution is currently pursuing curricular review, there is an opportunity to revise the
procedure before it may be used again. The proposal was presented for information at the
May 30-June 1, 2012 meeting and is now presented for action.

4. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:
• The proposal separates the curricular review process from financial exigency in
the Code.
• The proposals specify the manner in which administration will consult with
faculty and faculty senates in the preparation of a curricular review plan,
including making available the financial data that the administration relied on.
• Transparency and open consultation in the process are assured under the
proposals.
• The Board of Regents would have the opportunity to review and approve
curricular revisions that result in the lay off of faculty.
• The manner is which an institution will try to retain and reappoint laid off faculty
will be specified in the curricular review plan.
• The reconsideration process for laid off faculty is clarified.
• Procedural aspects of financial exigency are amended in Sec. 5.4.6 to be similar to
those that are proposed for curricular review in Sec. 5.4.8.

5. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:
• At the May 30-June 1, 2012 meeting, the Faculty Senate Chairs requested the phrase
“adverse financial conditions” be replaced with “severe financial distress,” which is
recommended by AAUP. This revision is not recommended because it may limit the
appropriate use of curricular review and may be confused with the “financial
exigency” criteria.
• The proposals may create a cumbersome process that will not be workable in the
context of a budget crisis.
• The existing Code provisions already require consultation with faculty and the
reconsideration provisions already set forth an appropriate review process.

6. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:
Do not make any amendments to the existing Code provisions on curricular review.

7. COMPLIANCE WITH BOARD POLICY:
☐ Consistent With Current Board Policy: Title # _ Chapter # _ Section # __
X Amends Current Board Policy: Title #2 Chapter # 1 and 5 Section
#1.1(f), 5.4.7 and adds a new Sec. 5.4.8

Revised: June 2010

(BOARD OF REGENTS' AGENDA 09/06/12 & 09/07/12) Ref. BOR-25, Page 2 of 13
☐ Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #________
  Other:
☐ Fiscal Impact: Yes_____ No____X____
  Explain:_________________________________
NSHE Code Title 2
Ch. 1 Definitions.

Sec. 1.1(f) "Curricular reasons" means the term used to characterize the bona fide discontinuance, reduction in size or reorganization of an administrative unit, project, program or curriculum for bona fide reasons pertaining to the missions of the institutions of the Nevada System of Higher Education [University of Nevada] resulting in the elimination of employment positions. Bona fide curricular reasons may include, but are not limited to, low or declining student demand, changes in the mission of a system institution, or adverse financial conditions forcing a system institution to prioritize its projects, programs and curricula.
Sec. 5.4.5 Financial Reasons for Furlough, Reduction in Pay or Lay Off Termination,

(a) A faculty member may be furloughed, have pay reduced, or be laid off as an employee before the end of the contract term because of a financial exigency declared by the Board of Regents. For faculty members of the Desert Research Institute, however, refer to Section 5.8 of the Nevada System of Higher Education Code.

(b) Faculty members may be furloughed, have pay reduced, or be laid off under this subsection for a financial exigency upon a declaration of the Board of Regents, after a recommendation for same by the chancellor and by the presidents of the System institutions to be affected by the proposed financial exigency, that a financial exigency exists in the System, a System institution, or an administrative unit of a System institution. Nothing in this provision shall prevent the layoff of a faculty member under this subsection without such a declaration of the Board of Regents when such faculty member's employment contract contains the specific provision that such faculty member's continued employment during the term of the contract is dependent on the availability of funds, nor is a declaration of financial exigency (with the accompanying requirements of Section 5.4.6) required in order for the Board of Regents to consider and implement pay reductions or unpaid leave equating to 6% (six percent) or less of base pay as a result of final legislative action to generally reduce all state employee pay by that amount. Such legislatively authorized pay reduction shall not be implemented earlier than the start of the next fiscal year commencing after the date of Board of Regents approval nor without first considering the recommendation of the Chancellor and the Council of Presidents after consultation with the faculty senates, with consideration of alternative means of reducing expenses to meet budget reductions and methods of maintaining recognition of base pay and salary schedules. The pay reductions or unpaid leave shall be for no more than two years. If the final legislative action continues to generally reduce all state employee pay beyond a two year period, the Board of Regents may likewise extend such reductions beyond two years, up to a cumulative cap of 6% for the entire period of the reduction, based on the same process of consultation and recommendation required for the initial implementation.

(c) Before a recommendation is made to the Board of Regents by the chancellor and the president or presidents that a financial exigency should be declared:
1. The chancellor and the president or presidents shall be satisfied that all available means to reduce the expenditure levels (i) are exhausted, (ii) would not be adequate, (iii) would not be feasible or (iv) would not be appropriate.

2. The president or presidents shall seek the advice of the senates or senate representatives of System institutions to be affected by the proposed declared financial exigency concerning said exigency and such advice shall be forwarded to the Board of Regents along with recommendations of the chancellor and the president or presidents.

(d) After a financial exigency has been declared by the Board of Regents, depending upon the circumstances, the Board may choose to immediately implement a financial exigency or authorize the following provisions to be put into effect:

1. Each System institution affected shall select an ad hoc financial exigency committee to prepare recommendations for a plan to implement the discontinuance or reduction in size of administrative units, projects, programs or curricula, to include furloughs, pay reductions or faculty layoffs if necessary, due to the financial exigency. Each such plan shall establish the criteria necessary for recommending and determining such actions.

2. The president shall determine the number of persons to serve on the ad hoc financial exigency committee, shall choose the chair of the committee and, in addition, shall choose one half of the remaining membership of the committee. The senate shall elect one half of the membership of the committee. The chair shall vote only in case of a tie vote. The plan recommended by the committee must receive the approval of the president.

3. The plan, as approved by the president, must be submitted to the chancellor within a time limit agreed to by the president and the chancellor. If the plan is not submitted within that time, the chancellor, at the chancellor's option, may extend the time for such submission or may prepare a plan for the System institution which fails to submit such plan within the time limit set or as may be extended.

4. In the case of a System-wide financial exigency, all plans must be forwarded to the Council of Presidents for review and recommendations as to any necessary coordination between the System institutions in the implementation of the plans and to harmonize or eliminate any material conflicts in the plans.

5. All plans must be reviewed by the chancellor and the president or presidents before being forwarded to the Board of Regents.

6. All plans must be forwarded to the Board of Regents with the recommendations of the chancellor and the president or presidents and all plans must receive the approval of the Board, which shall be final. The
Board may appoint an ad hoc financial exigency committee composed of members of the Board to work with the System institutions in preparing and reviewing plans and to report to the Board concerning plans prior to their consideration by the full Board.

7. A plan shall take into consideration the affirmative action goals of the System, the responsibility of the System and the System institutions to continue to offer the appropriate ranges of programs or curricula to its enrolled students and the missions of the institutions of the Nevada System of Higher Education University of Nevada.

(e) A financial exigency, once declared, may be reviewed every 180-calendar days or sooner if appropriate, by the Board of Regents on the issue of whether it should continue or be declared ended. Before making a recommendation to the Board of Regents on whether a state of financial exigency should be continued or be declared ended, the president or presidents shall seek the advice of the senates of the System institutions to be affected by the financial exigency and shall obtain their respective recommendations concerning whether the state of financial exigency should continue or be declared ended. The senate recommendations shall be forwarded to the Board of Regents along with the recommendations of the chancellor and the president or presidents.

[5.4.6 Curricular Reasons for Termination. A faculty member may be laid off because an administrative unit, project, program or curriculum has been discontinued, reduced in size or reorganized for bona fide reasons pertaining to the missions of the System institutions resulting in the elimination of the faculty member's position. Such curricular revisions shall come as a consequence of the academic planning process as established in writing and approved by the presidents of the member institutions affected, and which may be set forth in the institutional bylaws. For faculty members of the Desert Research Institute, however, refer to Section 5.8 of the Nevada System of Higher Education Code.]

Sec. 5.4.7 Procedures for Furlough, Pay Reduction or Termination of Employment Lay Off Due to Financial Exigency or Curricular Reasons.

(a) If a faculty member is furloughed, pay is reduced or the faculty member is given notice of lay off or is laid off because of financial exigency or for curricular reasons as provided in this chapter, the provisions of this subsection shall be applicable.

(b) The faculty member shall be continued in employment, if possible and if such employment does not result in the termination of employment of another faculty member, in an appropriate qualified professional capacity within the System institution involved. The president of the institution, in consultation with the faculty senate, shall in writing set forth the administration's policy regarding the possible continuation in employment of faculty members who are to be furloughed, reduced in pay or laid off for financial exigency.

(c) If a faculty member is laid off for financial exigency, the faculty member's position will not be filled within a period of two years, unless a reasonable attempt to offer reappointment has been unsuccessful or reappointment has been offered in writing and the faculty member has not accepted the same in writing within 20 calendar days of the receipt of the offer. The reappointment referred to herein shall be at the faculty member's previous rank or salary level. If the institution, within
two years of a faculty member's lay off, intends to establish tenure track positions in the faculty member's former subject area, and if an offer of appointment is made to the former faculty member, it must include an offer of tenure.

(d) If a faculty member is notified of a lay off for curricular reasons on or before December 1 of the faculty member's current contract year, the layoff shall not be in effect until the following June 30. If a faculty member is notified of a lay off for curricular reasons after December 1 of the faculty member's current contract year, the layoff shall not be in effect until the completion of the contract year immediately following the June 30 of the contract year of notice. [Note: This section appears in new Sec. 5.4.8(d).]

(e) A lay off for financial exigency shall require at least 60 calendar days notice, except that if a financial exigency is such that adequate funds do not exist to pay the salary of the faculty member being laid off for such period, the notice period of termination may be shortened to a period commensurate with the amount of funds reasonably available to make such payments. Notice of furlough or pay reduction for financial exigency shall require at least 15-calendar days notice.

(f) Notice of the furlough or pay reduction of faculty members for financial exigency or notice of a lay off for financial exigency or curricular reasons, except for notice of nonreappointment to employment of faculty members given under Subsections 5.4.2, 5.8.2, 5.9.1 or 5.9.2 of the Nevada System of Higher Education Code, shall be in writing and shall furnish the faculty member with a reasonably adequate statement of the basis for the decision to furlough, reduce pay or lay off the faculty member, a reasonably adequate description of the manner in which the decision was arrived at and a reasonably adequate disclosure of the information and data upon which the decision-maker or makers relied. The notice shall also inform the faculty member of the right to reconsideration, the procedures for reconsideration and the identity of the person or persons to whom a request for reconsideration should be directed.

(g) Within 15 calendar days after receipt of the notice of furlough, pay reduction or lay off for financial exigency, the faculty member may request reconsideration of the decision to furlough, reduce pay or to lay off at which time the following provisions and procedures are applicable:

1. The reconsideration process shall be limited in its scope to the issue of whether there is sufficient evidence to support the specific decision to furlough, reduce pay or to lay off the faculty member requesting the reconsideration or whether there has been material deviation from the procedures established on which such a specific furlough, pay reduction or lay off decision has been based, or both. There shall be no reconsideration of the policy decisions to declare a financial exigency, to discontinue or reduce in size an administrative unit, project, program or curriculum because of financial exigency[ or to discontinue, reduce in size or reorganize an administrative unit, project, program or curriculum because of curricular reasons.]

2. In the event decisions are made to furlough, reduce pay or to lay off faculty members under this section because of financial exigency [or because of curricular reasons], the president shall establish one or more employment review committees. The president shall determine the number of persons to serve on each committee, shall determine their terms of service, shall choose the chair of each committee and, in addition, shall choose one half of the remaining membership of each committee. The senate shall elect one half of the membership of each committee. A chair shall vote only in case of a tie vote. No one who took part in making the specific recommendation to the president to
furlough, reduce pay or to lay off the faculty member requesting the reconsideration may be a member of an employment review committee.

3. The request for reconsideration shall be submitted in writing to the president, together with the reasons, arguments and documentation supporting the request for reconsideration. The president shall immediately send the request for reconsideration, together with a copy of the notice of furlough, pay reduction or lay off, to the employment review committee. Administration may respond in writing to the request for reconsideration. Any such written response must be served on the employment review committee and the affected faculty member no later than three calendar days before the reconsideration hearing.

4. The employment review committee shall hold a hearing on the request for reconsideration within 15 calendar days of its receipt or, given the number of requests that may be received, as soon after that time limit as is reasonably feasible. The hearing shall be informal and nonadversarial in nature. The committee shall have the discretion to consolidate hearings. The hearing shall be recorded by audio and a copy of the audio recording must be provided to the faculty member upon request.

5. The faculty member requesting reconsideration may have an advisor. Evidence presented must possess reasonably probative value, materiality and relevancy to the employment decision. The faculty member requesting reconsideration has the burden of showing the decision to furlough, reduce pay or to lay off cannot be sustained.

6. The System institution in which the furlough, pay reduction or the layoff is due to take place shall have an opportunity at the reconsideration hearing through its representatives to respond to the contentions of the faculty member requesting reconsideration or to otherwise correct any erroneous or misleading information presented to the committee.

7. The employment review committee shall forward its written recommendation to the president on the issue or issues presented by the request for reconsideration within 10 calendar days after the conclusion of the hearing. The president shall make a decision within 5 calendar days after receipt of the recommendation. The president's decision shall be final and shall be sent, in writing, to the faculty member requesting reconsideration.

(h)(g) The review provided by this subsection for furloughs, pay reductions or for lay-offs because of financial exigency[ or curricular reasons] shall be the exclusive means of review of such decisions. However, such review shall not be applicable to the issuance of notices of nonreappointment to employment of faculty members as provided in Subsections 5.4.2, 5.8.2, 5.9.1 and 5.9.2 of the Nevada System of Higher Education Code.

(h) All notices or other documents may be served electronically, by mail or hand-delivered.

Sec. 5.4.7 Curricular Reasons for Lay Off Termination. (Current Code language is in italics; new language is in bold and italics)

A faculty member may be laid off because an administrative unit, project, program or curriculum has been discontinued, reduced in size or reorganized for bona fide reasons pertaining to the
missions of the System institutions, resulting in the elimination of the faculty member’s position. 
Bona fide curricular reasons may include, but are not limited to, low or declining student 
demand, changes in the mission of a system institution, or adverse financial conditions 
forcing a system institution to prioritize its projects, programs and curricula. Such 
curricular revisions shall come as a consequence of the academic planning process as 
established in writing, after consultation with the faculty senate regarding each of the 
matters set forth below in this subsection. The said academic planning process must be 
approved by the presidents of the member institutions affected, and which may be set forth in 
the institutional bylaws. The process must include, but is not limited to, the following 
steps:

(a) the administration shall prepare and make public an initial curricular revision 
proposal that includes, but is not limited to, the following: 
1. the reasons for the proposed curricular revisions; 
2. the criteria by which an administrative unit, project, program or 
curriculum were selected for curricular revision which results in the 
elimination of faculty positions; 
3. the process and criteria that will be used in attempting to continue 
faculty members in employment under Sec. 5.4.8(b); and; 
4. the process and criteria which will be used to determine whether a laid 
off faculty member should be offered reappointment under Sec. 5.4.8(c).

(b) the administration shall provide access to all the financial data relied upon in 
developing the proposal;

(c) an affected administrative unit, project, program or curriculum shall be given 
the opportunity to suggest alternatives to the initial proposal;

(d) the faculty senate shall review the initial proposal (along with any alternatives 
suggested by an affected administrative unit, project, program or curriculum), and 
may comment on the necessity of the proposed curricular revisions and make 
recommendations for alternatives to the proposed curricular revisions;

(e) the administration shall present the final curricular revision proposal to the 
Board of Regents for approval at a regular or special meeting of the Board before 
layoff notices are served.

For faculty members of the Desert Research Institute, however, refer to Section 5.8 of the 

Sec. 5.4.[7]8 Procedures for Furlough, Pay Reduction or Termination of Employment Lay 
Off Due to Financial Exigency or Curricular Reasons. (Current Code language is in 
italics; new language is in bold and italics)

(a) If a faculty member is furloughed, pay is reduced or the faculty member is threatened 
with is given notice of lay off or is laid off because of financial exigency or for curricular 
reasons as provided in this chapter, the provisions of this subsection shall be applicable.

(b) The faculty member shall be continued in employment, if possible and if such 
employment does not result in the termination of employment of another faculty member, 
in an appropriate qualified professional capacity within the System institution involved.

(c) If a faculty member is laid off for the above stated curricular reasons, the faculty 
member’s position will not be filled within a period of two years, unless a reasonable
attempt to offer reappointment has been unsuccessful or reappointment has been
offered in writing and the faculty member has not accepted the same in writing within 20
calendar days of the receipt of the offer. The reappointment referred to herein shall be
at the faculty member’s previous rank or salary level. If the institution, within two
years of a faculty member’s lay off, intends to establish tenure track positions in
the faculty member’s former subject area, and if an offer of appointment is made
to the former faculty member, it must include an offer of tenure.

(d) If a faculty member is notified of a lay off for curricular reasons on or before December 1
of the faculty member’s current contract year, the layoff shall not be in effect until the
following June 30. If a faculty member is notified of a lay off for curricular reasons after
December 1 of the faculty member’s current contract year, the layoff shall not be in effect
until the completion of the contract year immediately following the June 30 of the
contract year of notice.

(e) A lay off for financial exigency shall require at least 60 calendar days notice, except that if a
financial exigency is such that adequate funds do not exist to pay the salary of the faculty
member being laid off for such period, the notice period of termination may be shortened to a
period commensurate with the amount of funds reasonably available to make such payments.
Notice of furlough or pay reduction for financial exigency shall require at least 15 calendar days
notice.

(f) Notice of the furlough or pay reduction of faculty members for financial exigency or
lay off for curricular reasons, except for notice of nonreappointment to employment of faculty members given under Subsections 5.4.2,
5.8.2, 5.9.1 or 5.9.2 of the Nevada System of Higher Education Code, shall be in writing
and shall furnish the faculty member with a reasonably adequate statement of the basis
for the decision to furlough, reduce pay or lay off the faculty member, a reasonably
adequate description of the manner in which the decision was arrived at, and a
reasonably adequate disclosure of the information and data upon which the
decision-maker or makers relied. The notice shall also inform the faculty member of the
right to reconsideration, the procedures for reconsideration and the identity of the person
or persons to whom a request for reconsideration should be directed.

(g) Within 15 calendar days after receipt of the notice of furlough, pay reduction or lay off,
the faculty member may request reconsideration of the decision to furlough, reduce pay
or lay off at which time the following provisions and procedures are applicable:

1. The reconsideration process shall be limited in its scope to the issue of whether
there is sufficient evidence to support the specific decision to furlough, reduce
pay or lay off the faculty member requesting the reconsideration or whether
there has been material deviation from the procedures established on which such
a specific decision to furlough, reduce pay or lay off decision has been based, or both.
There shall be no reconsideration of the policy decisions to declare a financial
exigency, to discontinue or reduce in size an administrative unit, project, program
or curriculum because of financial exigency or to discontinue, reduce in size or
reorganize an administrative unit, project, program or curriculum because of
curricular reasons.

2. In the event decisions are made to furlough, reduce pay or lay off faculty
members under this section because of financial exigency or because of
curricular reasons, the president shall establish one or more employment review
committees. The president shall determine the number of persons to serve on
each committee, shall determine their terms of service, shall choose the chair of
each committee and, in addition, shall choose one half of the remaining membership of each committee. The senate shall elect one half of the membership of each committee. A chair shall vote only in case of a tie vote. No one who took part in making the specific recommendation to the president [to furlough, reduce pay or to lay off the faculty member requesting the reconsideration may be a member of an employment review committee.

3. The request for reconsideration shall be submitted in writing to the president, together with the reasons, arguments and documentation supporting the request for reconsideration. The president shall immediately send the request for reconsideration, together with a copy of the notice [of furlough, pay reduction or of lay off, to the employment review committee. Administration may respond in writing to the request for reconsideration. Any such written response must be served on the employment review committee and the affected faculty member no later than three calendar days before the reconsideration hearing.

4. The employment review committee shall hold a hearing on the request for reconsideration within 15 calendar days of its receipt or, given the number of requests that may be received, as soon after that time limit as is reasonably feasible. The hearing shall be informal and nonadversarial in nature. The committee shall have the discretion to consolidate hearings. The hearing shall be recorded by audio and a copy of the audio recording must be provided to the faculty member upon request.

5. The faculty member requesting reconsideration may have an advisor. Evidence presented must possess reasonably probative value, materiality and relevancy to the employment decision. The faculty member requesting reconsideration has the burden of showing that the decision to furlough, reduce pay or to lay off cannot be sustained.

6. The System institution in which [the furlough, pay reduction or the layoff is due to take place shall have an opportunity at the reconsideration hearing through its representatives to respond to the contentions of the faculty member requesting reconsideration or to otherwise correct any erroneous or misleading information presented to the committee.

7. The employment review committee shall forward its written recommendation to the president on the issue or issues presented by the request for reconsideration within 10 calendar days after the conclusion of the hearing. The president shall make a decision within 5 calendar days after receipt of the recommendation. The president's decision shall be final and shall be sent, in writing, to the faculty member requesting reconsideration.

(h) The review provided by this subsection for furloughs, pay reductions or for lay-offs because of financial exigency or curricular reasons shall be the exclusive means of review of such decisions. However, such review shall not be applicable to the issuance of notices of nonreappointment to employment of faculty members as provided in Subsections 5.4.2, 5.8.2, 5.9.1 and 5.9.2 of the Nevada System of Higher Education Code.

(h) All notices or other documents may be served electronically, by mail or hand-delivered.