

**SPECIAL MEETING  
VIDEOCONFERENCE  
BOARD OF REGENTS  
NEVADA SYSTEM OF HIGHER EDUCATION  
System Administration, Las Vegas  
5550 West Flamingo Road, Suite C-1, Conference Room  
System Administration, Reno  
2601 Enterprise Road, Conference Room  
Great Basin College, Elko  
1500 College Parkway, Berg Hall Conference Room  
Wednesday, May 2, 2007**

Members Present	Mr. Bret Whipple, Chair	{Las Vegas}
	Dr. Jack Lund Schofield, Vice Chair	{Las Vegas}
	Mr. Mark Alden	{Las Vegas}
	Mr. Cedric Crear	{Las Vegas}
	Dr. Thalia M. Dondos	{Las Vegas}
	Mrs. Dorothy S. Gallagher	{Reno}
	Dr. Jason Geddes	{Reno}
	Mr. Ron Knecht	{Las Vegas}
	Mr. James Dean Leavitt	{Las Vegas}
	Mr. Howard Rosenberg	{Reno}
	Mr. Steve Sisolak	{Las Vegas}
	Mr. Michael B. Wixom	{Las Vegas}

Members Absent: Dr. Stavos S. Anthony

Others Present: Chancellor James E. Rogers {Las Vegas}

		{Las Vegas}
	Chief Counsel Bart Patterson	{Las Vegas}
	President Richard Carpenter, CCSN	{Las Vegas}
	President Paul T. Killpatrick, GBC	{Elko}

1. Information Only New Business

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2. Approved Report on 2007 Session of the Nevada Legislature (Cont'd.)

A discussion ensued regarding the specific priorities totaling \$37 million:

- Formula funding -\$16.3 million.
- Maintain current service levels -\$18 million
- Critical administrative positions at DR \$1.752 million.
- Transfer of Nye County service to GBC \$426,000.

Regent Knecht established that these figures were based upon 2006 projections and 2007 actual enrollments. Executive Vice Chancellor Klaich agreed, adding that it equated to a hole in the institutions' budgets. Regent Knecht objected to characterizing the "hold harmless" money as current service levels because he felt it equated to claiming that with a reduction in student population there are zero net savings or cost reductions. He did not believe that was so and felt it could be used to the System's detriment when student populations increase. He viewed it as a way of allowing the institutions and the System to respond on a measured basis, but it was not a matter of maintaining current service levels. Executive Vice Chancellor Klaich disagreed and explained that the extreme volatility in enrollment in this biennium is based on a number of policy decisions jointly made by the legislature, the Board of Regents and the executive branch that have had predictable results on student enrollment (e.g., increase quality, increase selectivity, increased efficiency, increase entrance and millennium core requirements). He felt the state had an obligation to protect against such an impact. He foresaw a vicious downward spiral in the services the institutions will be able to provide.

Regent Knecht said he was concerned that this does not occur when the situation is

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2. Approved Report on 2007 Session of the Nevada Legislature (Contd.)

Klaich agreed, adding that the institutions cannot turn on a dime to reduce their budgets by 10% without severe financial exigencies

Regent Wixom stated that although he agrees conceptually with Regent Knecht, the bottom line is that, over the short term, the inherent cost of delivery will not decrease even if student enrollments decline. Unless the System and the legislature alter the funding formula, a situation remains that prevents funding of the cost of delivering the services

President Carpenter stated that there is a classic misunderstanding

2. Approved-

2. Approved Report on 2007 Session of the Nevada Legislature (Cont'd.)

Board's previous motion. Executive Vice Chancellor Klaich assured Regent Leavitt that it would be helpful to reaffirm the Board's

Regent Leavitt reported that this Thursday