

SPECIAL MEETING
VIDEOCONFERENCE
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION

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6375 West Charl
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2601 Enterprise Road, Conference Room
Great Basin Col
1500 Col
9:00 a. m. , Tuesday, February, 2010

Members Present: Mr. James Dean Leavitt, Chairman
Dr. Jason Geddes, Vice Chairman (Reno)
Mr. Mark Alden
Dr. Andrea Anderson
Mr. William G. Cobb
Mr. Cedric Crete (teleconference)
Mrs. Dorothy S. Gallagher
Mr. Ron Knecht
Mr. Kevin J. Page
Dr. Jack Lund Schofield
Mr. Michael B. Wixom

Members Absent Mr. Robert Blakely
Dr. Raymond D. Rawson

Others Present: Chancellor Daniel J. Klaich
Executive Vice Chancellor & CEO, HSS, Maurizio Trevisan
Vice Chancellor, Academic & Student Affairs, Jane Nichols

UNLV; Ms. Jessica Lucero, GPSA President, UNLV; Mr. Eli Reilly, ASUN President, UNR; and Ms. Jillian D. Murdock, GSA President, UNR.

Chairman James Dean Leavitt called the meeting to order on Tuesday February 2, 2010, with all members present except Regent Blakely and Rawson

1. Approved FY 2009-2011 Budget Reduction Agenda Item #1) The Board of Regents heard a report on the findings discussed at the January 22, 2010, meeting of the Economic Forum on the declining total general fund revenues for the current biennium. The Board authorized the Chancellor to address the legislature, whether in regular or special session if possible, to seek the ability for the Sy1 (e)4ioini2 w m(,)Tj201 (e)4 (O (ri)-2)-2 (ab7

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1. Approved FY 2009-2011 Budget Reduction Agenda Item #1 (Cont'd.)

instructors. UNLV also merged two of its colleges. TMCC reduced its testing center, its career center and its placement center, combined two V

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It is agreed that limping through is not possible with cuts of the size being discussed. The System will need to consider strategic vertical cuts but diagonal as vertical cuts may not produce necessary savings either that are steeper in nature and correspondingly very painful to some, with all having built in constituencies. The problem with some of these cuts is that the savings may not be fully realized until year two or year three, but it must be known that this cut may last that long as well.

Issues such as faculty workload, fees, and so forth, seem to be implied with these cuts and will also need to be discussed. In this regard, the Board will need to discuss what it can do to help the campuses generate in terms of changes to policy or Code Maximum flexibility from the Board will be needed in terms of movement of dollars in and out of what might otherwise be restricted fee categories. Finally, the Board will be asked to suspend or delay new projects that require the campuses to do more as money becomes tight. In addition, the carry forward of funds seems to be more important than ever if the watchword is efficiency, and perhaps this can be presented in the upcoming special session.

Chancellor Klaich indicated that he would end his presentation with a chronology of what is expected to occur in the coming days. First, at 4:00 p.m. today, the Chairman of the Board has arranged a teleconference with the leadership of both houses of the legislature to discuss the outcome of the Board's meeting today and the upcoming special meeting of the Interim Finance Committee. In February 4, 2010, the Interim Finance Committee of the legislature will begin hearings and town hall meetings to understand the impact of the proposed cuts. In less than a week, the Governor will deliver a special State of the State address outlining his view of which will include a call for a special session of the legislature. It is widely expected that a special session will be convened later in February or the beginning of March.

Chancellor Klaich felt that no Nevadaan would expect these cuts will be enacted with the n

1. Approved FY 2009-2011 Budget Reductions (Agenda Item #1) (Cont'd.)

Based upon his review and understanding of the financial exigency issues, Regent Wixom asked if he was correct in stating that a declaration of financial exigency must come forward as a recommendation from the president ~~to and the VC~~

1. Approved FY 2009-2011 Budget Reductions (Agenda Item #1) (Cont'd.)

emphasized that the plans would need to be made in a manner for the long term, with the future in mind. She felt that the System would come out of this and when it did each institution should come out stronger. She stated that she would stand up to anyone who would criticize the difficult decisions that the president will need to make. She asked that everyone remain cognizant that in the end, most students may be served, but those that can be served need to be served with quality.

Regent Cobb referred to slide 2 of the Chancellor's presentation, specifically the elimination of \$38 million for 2010 and asked how the Board would make cuts in a four-month period of time. Chancellor Klais stated that the presidents have already been managing the budget cuts that have been implemented up to this point. In the te

1. Approved FY 2009-2011 Budget Reduction Agenda Item #1 (Cont'd.)

Regent Knecht stated that in response to Regent Questions and observations understanding was that the Governor's office and the legislature were indeed looking for revenue sources. Regent Knecht stated that his personal belief was that approximately \$100 million in new revenue would be presented in order to mitigate damage. In addition, the Board has always said it does not charge state students, whether it be for charges or fees. If someone is potentially legally culpable for the fact that the students are charged fees, it would not be the Governor, it would be the legislature, the Governor and this Board, all have participated in the setting of those fees.

Chancellor Klaich stated that he could not imagine standing in front of the Board and making a more painful report than the one just presented. It was reflective of the angst of every single one of the institutional presidents. There is something in this situation that is almost impossible to get your arms around when speaking of \$110 million in budget cuts. When stepping down to the level of the institutions, all of those percentages turn into faces of students, staff and faculty. He wants everyone to fully appreciate that he and the presidents were not supporting, recommending or thinking that this System could handle further cuts. For those that say just stand tough and tell them to know that is not believed. However, the System must exist in the real world. While there will be a fight to minimize the impacts, there will also be a plan to adjust to the reductions. There is a thin line between faith and foolishness.

Regent Gallagher asked if it was too early for the Board presidents what they are thinking about the changes that the Board will have to make in order to authorize the flexibility needed for planning. President Maryanski stated that the debate about financial exigency has primarily centered on personnel policies. However, accreditation also needed to be considered. He requested that the Board call upon the resources of the Northwest Commission of Community Colleges and Universities to make sure the System fully understands the implications of a potential declaration of financial exigency.

Regent Gallagher restated her question. She asked the presidents if there were changes that this Board needed to consider so that the presidents could go forward with their planning. President Maryanski indicated that because contracts are different from institution to institution, there is a myriad of issues.

Chairman Leavitt indicated his understanding that there were not any changes that the Board needed to make that day to allow the presidents to continue preparing for the March meeting. Chancellor Klaich stated that was correct. However, as in days past, the Board's direction would be appreciated in allowing the System to carry forward presentations to the special session of the Legislature such as moving fees from one category to another, changing notice periods and so forth. As more specific information is made known, the Board will see a full menu of options from the presidents at the March meeting.

Chairman Leavitt asked if there was anything that day that the Board needed to do to allow the presidents to carry out their ideas.

Regent Gallagher asked if Board action was needed in advance in order for the presidents to begin making any necessary changes.

1. Approved FY 2009-2011 Budget Reduction (Agenda Item #1) (Cont'd.)

in the student fees (student taxes) that the students who can afford the fees and taxes will leave and go places where it is less restrictive, and they will not come back. The students who are left will be at a disadvantage and not able to leave.

President Smatresch did not want the board to think that the presidents were sitting back, silently planning how to dismantle what has been so hard to build over so many years. He felt that the presidents need to speak to the record and express their outrage. Nevada is second to last in overall funding to students. The cuts already taken are the 3rd deepest in the nation. This set of cuts puts Nevada in sole possession of the dis- bottom. The good people of the System, faculty and staff, often feel like pawns in a game of chicken that the state is playing with higher education. However, they are here to improve themselves, the students are here to find a better life and the presidents are here to serve the needs. To feel that the staff, faculty and students are disposable is an outrage.

Regent Schofield felt that education was the backbone of the world. Education in Nevada has been underfunded since its beginning. In his campaign for President of the United States, Barack Obama stated that if the states could not fund their education properly, then the federal government should step in and provide assistance. He stated that the funding should not be put on the backs of students that it was correct being referred to as a student tax.

Regent Anderson appreciated what President Smatresch said to the faculty and students. She related that the voters of Oregon just approved a tax to support education. She felt that perhaps Nevada should consider such a tax so that it keep dismantling education or could never achieve a higher ranking than 49.

The meeting recessed at 11:11 a.m. and reconvened at 11:43 a.m. on Tuesday, February 2, 2010, with all members present except for Regent C. Blakely Rawson.

1. Approved FY 2009-2011 Budget Reduction (Agenda Item #1) (Cont'd.)

CSN President Richards stated that the role of community colleges was to create jobs and train the workforce. As other states have had to balance their budgets in this economic climate, higher education has been held harmless because its role in workforce and economic development has been realized. Cuts of this magnitude would no longer allow the community colleges of Nevada to meet the demands of Nevada's employers. The System be in a position to help the state emerge from this recession. Higher education is uniquely positioned to provide that help but it needs to be given the opportunity.

TMCC President Sheehan echoed President Richards' remarks. She related that when she first came to Nevada, it was with great excitement and with real optimism that the Legislature supported its institutions of higher education. However, in the last 18 months, she has seen one budget cut after another. Chancellor Klaich has indicated, the cumulative effect of those cuts is something that the System cannot rebound from. Added to that is the restriction of not being able to raise fee categories or to retain carry over. The cumulative impact is devastating.

2. Information Only Public Comment (Agenda Item #2) Ms. Susan Summers, English Department, UNLV, recognized that the Regents were fighting those involved. She related that upon realizing that the Legislature was not listening, she put out a call to action to the classified staff from

2. Information Only - Public Comment (Agenda Item #2) (Cont'd.)

and perhaps the raising of tuition only at certain income levels. Mr. McAfee and Ms. Riley stated that the Capitol Building is interested in this process and he is brainstorming to provide possible suggestions to the legislators.

Mr. Steve Kondwalon, CSN faculty related that he has been on the staff of CSN for 15 years. He asked why the burden of the state's deficit was being placed on the state's education in general, as well as the hospitals and social services. He said the Legislature does not want to discuss new taxes because they are afraid that the state would lose businesses. However, he questioned how many businesses the state has attracted with its current no or low taxes. In the past year, he felt that Nevada attracted many of its businesspeople into billionaires. He felt it was time to ask them to create a pool to support education. He stated that although he was not a fan of taxes, he would support them if what was needed to improve Nevada. He urged citizens to begin thinking of ways to enhance the state's revenue and to attract businesses in other ways instead of on the backs of education and social services. The solutions cannot be a quick solution; they must be long term.

Mr. Adam Cronis, SUN President, UNLV related that his attendance and experiences at UNLV has been an enormous blessing to him personally. He wanted to thank the high school students who now they have the same opportunities available to them. He recognized that the members of the Board are all willing to fight for the students to ensure they have the same opportunities. He felt that the parents in Nevada want their children to achieve more, and emphasized that education was the key.

1. FY 2009-2011 Budget Reduction (Agenda Item #1) (Cont'd.)

Chancellor Klaich stated that it was only with the Board's authority that a Chancellor of the System could address the legislature whether in special or regular session. He asked for the Board's authority to address the legislature, whether in regular or special session, if possible, to seek the ability for the System/institutions to have the authority to carry forward balances in general fund appropriations from one fiscal year to the next. He asked for the Board's support in that regard, or to make it clear that they did not wish him to pursue that direction.

Regent Wixom moved approval to authorize the Chancellor to address the legislature, whether in regular or special session, if possible, to seek the ability for the System/institutions to have the authority to carry forward balances in general fund appropriations from one fiscal year to the next. Regent Page seconded. Motion carried. Regents Blakely, Crear and Rawson were absent.

Chairman Leavitt read a letter that he had sent to Governor Sandoz dated January 25, 2010, into the record (on file in the Board office). He thanked the members of the Board, Chancellor, president, system staff, student leaders, and faculty senate chairs for their input. He felt there was never a more important time for unification. He appreciated everyone's support and was proud to have the opportunity to represent the Board in this fashion.

3. Information Only New Business (Agenda Item 3) None.

The meeting adjourned at 12:28 p.m.

Prepared by: Keri D. Nikolajewski
Program Officer I

Jessica C. Morris
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Submitted for approval by Scott G. Wasserman
Chief Executive Officer and Special Counsel
Board of Regents

Approved by the Board of Regents at the June 2010, meeting.