

SPECIAL MEETING
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
Third Floor Rotunda
Frank H. Rogers Science & Technology Building
Desert Research Institute
755 E. Flamingo Road, Las Vegas
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present: Dr. Jason Geddes, Chair
Mr. Kevin J. Page, Vice Chair
Mr. Mark Alden
Dr. Andrea Anderson
Mr. Robert Blakely
Mr. Cedric Crear
Dr. Mark W. Doubrava
Mr. Ron Knecht {teleconference}
Mr. James Dean Leavitt
Mr. Kevin C. Melcher
Dr. Jack Lund Schofield
Mr. Rick Trachok
Mr. Michael B. Wixom

Others Present: Chancellor Daniel J. Klaich
Vice Chancellor, Academic & Student Affairs, Jane Nichols
Vice Chancellor, Finance, Mark Stevens
Chief of Staff & Special Counsel to the Board, Scott Wasserman
Executive Director of Government Relations, Renee Kra
President Michael D. Richards, CSN
President Stephen G. Wells, DRI
President Bart Patterson, NSC
President Maria C. Sheehan, TMCC
President Neal J. Smatresk, UNLV
President Marc Johnson, UNR
President Carol A. Lucey, WNC

Also present were faculty senate chairs Ms. Tracy Sherman, CSN; Dr. Dave Decker, Dr. Sarah Negrete

1. Information Only -Public Comment (Agenda Item #1) (Cont'd.)

Mr. Jovonni Banks, CSN Student Senator, addressed the Board in regard to the fee increases and how the funds will be spent. Specifically, he requested that the additional fees be spent on increased student learning and incentive programs such as scholarships, sports, consistent advisement efforts and for improvements to My CSN website.

2. Approved -Handbook Revision, Discrimination and Sexual Harassment Complaint Procedure (Agenda Item #6) – The Board of Regents approved amendments to the Board of Regents Policy Against Discrimination and Sexual Harassment; Complaint Procedure (Handbook Title 4, Chapter 8, Section 13) which brought the policies into compliance with the Office of Civil Rights' April 4, 2011, "Dear Colleague" letter, recent Nevada legislation prohibiting discrimination based on gender identity or gender expression, and federal legislation prohibiting discrimination based on genetic information. (Revised Ref. BOR 6 for agenda items #6 and #7 file in the Board office)

Ms. Brooke Nielsen, Interim Chief Counsel, NSHE, explained the revised amendments as indicated in the revised referenced briefing paper file in the Board office.

Regent Alden moved approval of amendment to the Board of Regents Policy against Discrimination and Sexual Harassment; Complaint Procedure, Title 4, Chapter 8, Section 13. Regent Wixom seconded. Motion carried. Regent Blakely was absent.

3. Information Only -Code Revision, Sexual Harassment (Agenda Item #7) Interim Chief Counsel Brooke Nielsen presented for information a proposed amendment to the Code provisions governing sexual harassment (Title 2, Ch. 6, Sec. 6.2.5) which will bring the Code into compliance with the Office of Civil Rights' April 4, 2011, "Dear Colleague" letter, recent Nevada legislation prohibiting discrimination based on gender identity or gender expression, and federal legislation prohibiting discrimination based on genetic information. This was the first hearing at which the Code revision was being requested and presented for information only. Final action will be requested at the March 2012 meeting of the Board. (Ref. BOR 6 for agenda items #6 and #7 file in the Board office)

4. Approved -Strategic Directions of the Future of Higher Education (Agenda Item #2) The Board approved various initiatives defined under strategic direction of the Board of Regents, including increasing student achievement, retention and success (Initiative #1); increasing transparency, accountability and performance (Initiative #2); continuous review and revision of programs to support innovation and responsiveness (Initiative #3); and assuring access and affordability of public higher education (Initiative #4) (Attachment A, Ref. BOR-2).

Chancellor Daniel J. Klaich summarized the process that has occurred in developing the various initiatives, including input received from the Board, as well as strategic directions

4. Approved -Strategic Directions for the Future of Higher Education (Agenda Item #2)
(Cont'd.)

and priorities of the legislature and the Governor. With the assistance of the Director of Government Relations, Ms. Renee Yee and Vice Chancellor Stevens, the System has spoken with many legislators and members of Governor's staff. Those conversations have led him to believe that the System is on a similar path as the legislature and with the State's executive office.

With that in mind, Chancellor Klaich stated that System staff has tried to distill those conversations down into broad themes that the Board focused on, which include

- Initiative #1: Increasing student achievement, retention and success;
- Initiative #2: Increasing transparency, accountability and performance;
- Initiative #3: Continuous review and revision of programs to support innovation and responsiveness;
- Initiative #4: Assuring access and affordability of public higher education.

Chancellor Klaich stated that the document was a road map for System staff and a skeleton of the System's communications plan that will tell the story of higher education

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5. Approved – Expenditure Plans of the 2013 Registration Fee Increases Agenda Item #3) The Board of Regents approved each institution as presented for expenditure of the funds generated by the permanent registration fee increase of 8 percent for academic year 2012-13 for undergraduate students ~~only~~ approved by the Board at its December 2011 meeting. [Spec 53ra f6 rTJ .e ingove E-2 (on)]-

5. Approved -Expenditure Plans of the 2012-13 Registration Fee Increases Agenda Item #3) – (Cont'd.)

Regent Melchee echoed the comments of Regent Wixom, adding that he was pleased with the process in terms of collaboration. He hoped that this type of process would become the culture for the campuses and with the Board.

Regent Anderson also expressed her appreciation for the process. She felt that each institution had investigated and found the areas of the most need for their students. She emphasized that most of the concerns that she has received were in regard to admissions and records. She cautioned that, as staff transition in and out of that department, it was important to bring in longtime employees that have the history and experience to appropriately train new staff.

Regent Crear requested clarification of the difference between general improvement fees and special course fees. Chancellor Klatt replied that there are special course fees that are basically consumables which does not include faculty time. When those special course fees come to the Board every December, faculty salaries will not be included in those fees. However, with respect to general fee increases that are voted upon from time to time such as these, there is no limitation on how those fees are used other than the plans presented to the Board for approval. He acknowledged that the corresponding plans before the Board that day do include plans to hire and emphasized that is not a restriction. When the proposed plans were presented to him there were some line items that dealt with overall enhancements or supplements to general faculty benefits. He had encouraged the presidents to remove those items and to target funds in those areas that would enhance the student experience.

Regent Crear asked if the fee increases were providing additional staff and faculty instead of supplementing the current faculty and staff. Chancellor Klatt stated that was correct.

Regent Crear asked what the baseline of the fees was and what incremental enhancements were. President Smatresk replied that for UNLV, all of the new positions are incremental to build upon high demand areas. Chair Geddes noted that all the institutional presidents concurred with President Smatresk.

Chair Geddes asked President Smatresk to bring back to the Board a report on what courses were identified as the “bottleneck courses.”

Regent Trachok referred to Page 3 of Ref. BOR and asked President Smatresk if the \$1.5 M in Student Services is for additional personnel or support of existing services. President Smatresk indicated that support does not always mean the hiring of additional personnel. He pointed out that for library support the funds will be used to maintain periodical databases. He explained that the cost of periodicals, despite the recession, has inflated at a rate of 15 percent per year. If the item budget was not increased, UNLV would lose 15 percent of the periodicals which were critical for graduate and undergraduate research. Other line items are for additional staff in critical support roles which are the best indicator of student success and support.

Regent Leavitt left the meeting.

5. Approved -Expenditure Plans of the 2012-13 Registration Fee Increase Agenda Item #3) – (Cont'd.)

Regent Trachok again referred to Page 14 of Ref. BOR4 and asked President Sheehan to elaborate on the line item "Provide retention services for first-time, full-time degree seekers: advising, recruiting, testing and assessment staff" for \$196,000. President Sheehan related that those will be support staff, recruiters and retention specialists. TMCC had received a grant that allowed tracking of increased retention from the results of that tracking, TMCC will be able to institutionalize best practices.

Regent Trachok moved approval of each institution's plan for expenditure of the funds generated by the permanent registration fee increase of 8 percent for academic year 2012 for undergraduate students as approved by the Board at its December 2011 meeting in Regent Wixom seconded.

Regent Alder indicated that he would like to see the average 15 percent for student aid increased to 18 or 20 percent if possible

Motion carried.

6. Approved -Student Registration Fee Distribution, 2012-13 (Agenda Item #4) – The Board of Regents approved distribution of the permanent registration fee increase of 8 percent for academic year 2012 for undergraduate students as approved at the December 2011 Board meeting that will modify the allocation of student registration fees between the state supported operating budget and amounts retained by the institution (TCOM, Chapter 7, Section 15) A portion of this increase will be distributed to the State Supported Operating Budget consistent with the 2010 Letter of Intent and the remainder is in the campus retained (non-state) portion of the budget to fund student access based financial aid and other institutional expenditures (Ref. BOR4 on file in the Board office).

Vice Chancellor of Finance Mark Stevens reported that the proposed distribution is consistent with the campus expenditure plans as approved in the previous agenda item. The proposed distribution fully complies with the 2010 Letter of Intent concerning allocation of registration fees between state supported operating budgets and amounts retained by the institutions.

The revenues generated from the fee increase will be allocated to three different areas. A portion is allocated to the state supported operating budget of each institution based on the provisions included in the 2010 Letter of Intent. The balance of the fees will be retained in each institution's self supporting budget in two different areas. The first is that a total of 15 percent of the registration fee increase is allocated to student financial aid. The second is that the balance of the student fee increase is allocated to the general improvement category. One hundred percent of the funds generated by the fee increase will be utilized at the institution where it is generated.

6. Approved -Student Registration Fee Distribution, 2012-13(Agenda Item #4) (Cont'd.)

Regent Alden moved approval of the distribution of the permanent registration fee increase of 8 percent for academic year 20123 for undergraduate students as approved at the December 2011 Board meeting that will modify the allocation of student registration fees between the state supported operating budget and amounts retained by the institutions(PGM, Chapter 7, Section 1.5) Regent Wixom seconded. Motion carried.

7. Action Taken -Report on the Committed Study the Funding of Higher Education
(Agenda Item #5) The Board of Regents accepted Chancellor Daniel J. Karp's report on
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7. Action Taken -Report on the Committee to Study the Funding of Higher

7. Action Taken -Report on the Committee to Study the Funding of Higher Education (cont'd.)

Regent Knecht asked what provisions would be available for updating those factors or would the weights be etched in stone. Chancellor Kline said that this was not a process that should be undertaken casually and would hope that the weighting of the metrics would be done with reference to significant and well understood factors that would stand the test of time. With respect to enhancement or changes of the formula, he felt that could be done on a biennial basis in discussion with the legislature and executive branch

Regent Knecht noted that there is a continuing evolution of flexibility and change with

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7. Action Taken -Report on the Committee to Study the Funding of Higher Education (cont'd.)

Regent Knecht indicated that he could not completely track the proposals and would consult further with the Chancellor and staff. He asked if the legislature would essentially be able to go in and say weighting factors such as student credit hours, research mission or economies of scale are wrong or would the legislature essentially still be looking at a line item total for each institution as is done under the current formula. For example, if the legislature had a surprising good year and there were tuppoo(a)4 (d notr)3 (t)-2 (h ol]T 5 m)]TJ caydtaisCin e

7. Action Taken - Report on the Committee to Study the Funding of Higher Education (cont'd.)

have done so for years. The System will borrow from the expertise of those states and will try to incorporate the best of those practices into the new formula

Regent Tracholask asked if the base funding portion of the formula was taken from other states such as Texas. Chancellor Klaich related that he has reviewed the Texas formula and although the cost-weighted matrix is at the core of that state's model, he was not ready to tell the Board to make all its decisions based on cost.

Regent Tracholask asked what the timeline for rolling out the various components of the formula and how the Board could help. Chancellor Klaich replied that by state, budgets are required to be submitted to the Governor by September 1st of every even numbered year. Working backwards from that date, there are four and half months in which to finish the process

Regent Tracholask asked what the Board could do to help with the process. Chancellor Klaich asked that the Board continue to identify concerns and ask questions that System staff can develop an appropriate planning document.

Regent Anderson was excited that for the first time, the funding formula will take into account the differing missions, cost of providing courses at the different institutions and will provide the institutions with (a)4 (nd)]whit, (s)-1 (a)4 (o)]Tul (To)4 (av)(0d)du (d)75620 TolJ

8. Information Only -New Business (Agenda Item #8) Regent Melcher requested that the Board discuss service areas at its next meeting in terms of strategic planning and the funding formula. He was very interested in seeing if all areas were served in an equitable manner which institutions could best provide quality services in certain areas and how those services should be provided.

Regent Crear referred to a recent article in the Chronicle of Higher Education titled "Conflicts Abound for College Chiefs on Corporate Boards," that raised questions regarding the compensation and appropriateness of college chiefs serving on one or several corporate boards while representing an institution as well. He asked that a policy be proposed at a future meeting to address those types of conflicts.

Chair Geddes related that Vice Chancellor Nichols would be retiring at the end of January and expressed gratitude to her on behalf of the entire Board.

9. Information Only -Public Comment (Agenda Item #9) Ms. Riley related that the students have maintained a strong presence at the Committee to Study the Funding of Higher Education meetings and requested that the student body presidents be notified of future meetings.

Meeting adjourned at 1:59 a.m.

Prepared by: Jessica C. McMullen
Special Assistant and Coordinator to the Board of Regents

Submitted by: Scott G. Wasserman
Chief of Staff and Special Counsel to the Board of Regents

Approved by the Board of Regents at the April 20, 2012, meeting.