

BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
Ballrooms B & C
Joe Crowley Student Union
University of Nevada, Reno
87 West Stadium Way, Reno

Thursday, May 31, 2012, 8:30 a.m.
Friday, June 1, 2012, 8:00 a.m.

Video or Telephone Conference Connection to:
System Administration, Las Vegas
5550 W. Flamingo Road, Suite C-1, Conference Room

Also present were faculty senate chairs Dr. Charles Milne, CSN; Dr. David Rhode, DRI; Dr. David Friestroffer, GBC; Ms. Angela M. Brommel, NSC; Ms. Dani Chandler, NSHE; Dr. Gregory S. Brown, UNLV; Dr. David W. Zeh, UNR; Mr. Brad Summerhill, TMCC; and Mr. Gil Martin, WNC. Student government leaders present included Mr. Travis Brown, ASCSN President, CSN; Mr. Steve Gronstal; GRAD President, DRI; Mr. Alex Porter, SGA President, GBC; Mr. Deuvall Dorsey, NSSA President, NSC; Mr. Mark Ciavola, CSUN President, UNLV; Mr. Michael J. Gordon, GPSA President, UNLV; Mr. Orion Cuffe, GSA President, UNR; Mr. Naveet Zed, SGA President, TMCC; and Mr. Curtis Blackwell, ASWN President, WNC.

Chair Geddes called the meeting to order on Thursday, May 31, 2012, at 8:32 a.m. with all members present except for Regents Anderson, Knecht and Page.

Regent Schofield led the pledge of allegiance.

1. Information Only – Introductions and Campus Updates (Agenda Item #1) – Meeting attendees made introductions and the presidents provided campus related updates on events that have occurred since the Board of Regents last regular meeting.
2. Information Only -Institutional Student and Faculty Presentations (Agenda Item #2) – UNR President Marc A. Johnson introduced Dr. Michael Webster to discuss UNR's neuroscience program and to describe the recently awarded \$10 million grant from the NIH Center of Biomedical Research Excellence.

UNR President Johnson introduced Ben Sumlin and Ms. Heather Zunino, students from the winning team of the Sontag Business Plan competition to discuss the gift funded business plan competition and their plans to pursue development of a business using their plan.

The meeting recessed at 9:00 a.m. for committee meetings and reconvened at 11:15 a.m. on Thursday, May 31, 2012, with all members present except for Regents Anderson and Page.

3. Information Only – Public Comment (Agenda Item #3) – Dr. Les Anderson, Citizen, proposed that UNR and UNLV develop an independent school of energy. Regent Knecht thanked Dr. Anderson and expressed support for his proposal.
4. Information Only -Chair of the Nevada Student Alliance Report (Agenda Item #4) – Mr. Michael Gordon, newly elected Chair of the Nevada Student Alliance (NSA) reported to the Board concerning NSHE related issues and events that were of importance to the Student Body Presidents including marketing of the NSA as a leadership body to the general student population, educating the student population on the funding formula and how those decisions will affect students, consideration of a program that would place a "student regent" on the Board's side of the table, and becoming a more coherent and cohesive body.

5. Information Only – Chair of the Faculty Senate Chairs’ Report (Agenda Item #5) Mr. Brad Summerhill, 2012-2013 Chair of the Faculty Senate Chairs reported to the Board concerning NSHE related issues or events that are of importance to the Faculty Senate’s including the Faculty Senate Chairs’ appreciation for the work of the Systems Code task force and the willingness of System legal counsel to consult with faculty senates; the results of the PEBP Task Force employee survey on the Public Employee Benefits Program benefits; institutional reporting of the General Education curriculum and how faculty are ensuring a high quality, student centered foundation for higher education in Nevada (full report on file in the Board office)

On behalf of the System’s faculty, Mr. Summerhill expressed gratitude to Chancellor Klaich and to the Board for making salary restoration a budget priority, adding that elimination of furloughs and restoration of merit pay represented a major step forward in rebuilding the system of higher education in Nevada.

6. Information Only -Chancellor’s Report (Agenda Item #6) Chancellor Daniel J. Klaich reported to the Board concerning ongoing planning activities and major projects within the NSHE, including efforts to establish common solutions and best practices among the institutions, improved efforts to leverage assets in order to further the state’s economic development goals, the identification and removal of obstacles that impede student success, the transferability of credits from within and outside of the NSHE, co-admission and advisement policies, as well as on-line tools available to assist students with articulation.

Chancellor Klaich related that the Community College Task Force recommendations will be presented to the Board at its September 2012 meeting

Regent Wixom requested more detailed information on “what scenarios through tools of technology guidance processes available to assist students with articulation.

7. Information Only – Board Chair’s Report (Agenda Item #7) Chair Geddes expressed his appreciation to the Board, its staff, System staff, presidents and campus staff for their hard work and efforts to achieve the Board’s goals. He related that watching students walk at all the commencement ceremonies put it all back in perspective.

8. Approved – Consent Item (Agenda Item #8) The Board of Regents approved the following Consent Items in one motion.

- 8a. Approved-Minutes (Consent Item #8a) The Board of Regents approved the following meeting minutes:

- 1) November 16, 2011, Chancellor’s Periodic Evaluation Committee (Ref. BOR8a(1) on file in the Board office).
- 2) November 18, 2011, Chancellor’s Periodic Evaluation Committee (Ref. BOR8a(2) on file in the Board office).

8. Approved – Consent Item (Agenda Item #8) (Cont'd.)

8a. Approved-Minutes (Consent Item #8a) (Cont'd.)

3) March 12, 2012, regular Board of Regents meeting (Ref. BOR 8a(3) on file in the Board office).

8b. Approved -TMCC – NFA Contract (Consent Item #8b) The Board of Regents approved the TMCC-NFA contract for 2012 to 2015 (Ref. BOR 8b on file in the Board office).

8c. Approved-Tenu-4 (u1 (file)-2d Tw Spa/TT1e45.004 Tw -0.001 Tw 9.96 -0 0 u3 0

9. Approved -Procedures & Guidelines Manual Revision, Student Health Service/Health Insurance Rates (Agenda Item #9) (Cont'd.)

Vice Chancellor Stevens related that a revised reference document had been distributed to reflect a correction to page 8.

Regent Crear noted that a dental school student pays \$2,214 per year for health insurance (page 3 of revised Ref. BOP). Vice Chancellor Stevens indicated that was correct.

Regent Crear asked why professional students pay more than undergraduate students. Mr. Gerry Bomotti, Vice President of Finance, UNLV, replied that UNLV's primary broker conducted a bid which resulted in the rates per day. Part of the increase was a result of the federal requirements for improved health care coverage. However, the factors that caused the higher fee are that the pool of dental students is much smaller than the undergraduate student pool and professional students work directly with patients. Also a factor in the smaller pool size is that health insurance is not mandatory and therefore not all students participate.

Regent Crear asked why insurance was sought by individual institutions and not as a whole across the System which he felt would result in a better rate due to a much larger pool. Mr. Bomotti replied that UNLV does not mandate participation in the insurance coverage. Therefore, the market looks at that pool differently and requires a pool of students to be treated separately. Although the rate could be averaged across student pools at UNLV, he could not address the question of combining all institutions, adding that the cost of healthcare in Washoe County is much higher than in Clark County.

Regent Knecht asked to what extent is the challenge an economy of scale issue or a self selection issue. He felt that it could be inherently unfair to the people paying the bill to require them to cross-subsidize each other.

Mr. Bomotti replied that in his opinion, the most significant driver is the adverse impact of not making participation mandatory. UNLV's prices compared to other similar institutions were also similar. He related that some institutions have found that managing their own health care system creates a buying power situation that allows for the addition of optional coverage at a much reduced rate.

Regent Schofield agreed with Regent Crear, adding that there could be significant buying power within the System. Mr. Bomotti replied that could be true to the extent that student insurance was made mandatory. He clarified that all students pay a mandatory health service fee for primary care that provides some low-cost healthcare. The optional health insurance coverage is above and beyond that level.

Regent Crear asked if student health insurance was sought by individual institutions and not as a whole across the System. Vice Chancellor Stevens confirmed that student health insurance was shopped by institution.

9. Approved -Procedures & Guidelines Manual Revision, Student Health Service/Health Insurance Rates (Agenda Item #9) (Cont'd.)

Regent Crear noted that if the System was considered one large pool, the reduction from a lesser rate could theoretically be passed to the students. Mr. Bomotti felt certain that UNLV's broker had been asked that question before but he would need to research the answer provided at the time. However, he has also been told that unless there was a change in making health insurance mandatory, there would not be a significant difference.

Regent Geddes clarified that the Board needed to consider approval of the rates presented in order for the institutions to put those rates in place for the fall. He asked Vice Chancellor Stevens to return at a future meeting with a report to address the concerns that have been raised.

Regent Doubrava felt that it may be more realistic to leverage purchasing power by combining regions such as north or south. He asked if it would be correct to say that

10. Approved -Procedures & Guidelines Manual Revision, Undergraduate Tuition & Fees, 2013-14 and 2014-5 (Agenda Item #10) (Cont'd.)

Regent Trachok moved approval of adjustments to undergraduate and graduate tuition and fees for academic years 2013-14 and 2014-5 (P&GM, Chapter 7, Sections 1 and 1b) that makes the previously approved 2011-2 and 2012-3 surcharges a permanent part of the registration fee and the corresponding discounted tuitions. Regent Wixom seconded. Motion carried. Regent Alden voted no. Regents Anderson and Page were absent.

11. Approved -Procedures & Guidelines Manual Revision, 2013-5, Tuition & Fees, University of Nevada School of Medicine (Agenda Item #11) The Board of Regents approved the proposed tuition and fee structure for the 2013-5 biennium for the University of Nevada School of Medicine (UNSOM). This request reflects an increase in resident tuition and fees of 8% per year for each year of the 2013-5 biennium and non-resident tuition and fees increase of 3.4% per year for each year of the 2013-5 biennium (Ref. BOR11 – see attachment 1a on file in the Board office).

The Board of Regents approved the full amount of the proposed increase being allocated to the State Supporting Operating Budget of the Medical School, net of any increases in the UNR General Improvement, Capital Improvement, Activities and Programs and Technology fees and the Student Access Fee. The proposal includes a request for the Board's approval of an increase in the Student Access Fee for the 2013-5 biennium from 15% to 20% (Ref. BOR11 – see attachment 1b on file in the Board office).

Regent Alden moved approval of 1) the proposed tuition and fee structure for the 2013-biennium for the University of Nevada School of Medicine (UNSOM) This request reflects an increase in resident tuition and fees of 8% per year for each year of the 2013-5 biennium and nonresident tuition and fees increase of 3.4% per year for each year of the 2013-5 biennium; and 2) the full amount of the proposed increase being allocated to the

11. Approved -Procedures & Guidelines Manual Revision, 2013-15, Tuition & Fees, University of Nevada School of Medicine Agenda Item #11 (Cont'd.)

Regent Crear asked if the impetus for the increase was to align UNSOM with Nevada's WICHE partners. President Johnson confirmed that the increase would raise the rates by 8% per year until the rates were comparable, adding that a larger portion of the fee will also be moved into student access or scholarships.

Regent Crear expressed concern if the impetus of an increase is to match other WICHE institutions rather than to provide better student access and expand programs. President Johnson related that the cost to operate the UNSOM is not substantially different than other medical schools within the WICHE states. Fees continue to be raised to pay a larger portion of the UNSOM bills with those fees. There needs to be more revenue if UNSOM wants to continue to build a quality school.

Chancellor Klaich reminded the Board that there had been a policy of the Board that capped the increases that the medical school could charge which had put the UNSOM out of line with its peer institutions. There was repeal of that policy in order to bring its fee structure more in line with its peer institutions. He felt that this request was consistent with the Board's direction to improve the school.

Regent Knecht asked if the tuition and fees for the School of Dental Medicine and the School of Law were d[(S)-4 (c)4 (a)-6 (c)-xual-c4re reveveetude2atou(S)60 (ch)-4T (es)Ft0hp llrlc therqu(he)4 (r)3 (nd f)3 (0 2 (ta)-D (e)4 1(u)2 (c7 (2(u)

11. Approved -Procedures & Guidelines Manual Revision, 2013-15, Tuition & Fees, University of Nevada School of Medicine (Agenda Item #11) (Cont'd.)

Dean Schwenk related that the cost for a medical education is roughly \$100,000 per year and the current UNSOM tuition is approximately 17-20% of that. Some of that is made up of state funds, clinical revenue and research revenue. It could be reasonably argued that tuition is too low relative to the total cost as compared to other professional schools. However, other professional schools differ dramatically in their instructional models. Dean Schwenk related that it has also very well documented and proven that debt accumulation is a significant factor in a medical student's choice of specialty.

Dean Schwenk related that tuition at the UNSOM is currently remarkably low by any benchmark and there is some room for increase that would contribute to the expansion of class size, which is already taking place. He felt that there was room to increase, but by how much was yet undetermined.

President Smatresk related that for the UNLV Law School, the state general fund paid approximately 55% of the total instructional cost and for the dental school that was approximately 48%. He pointed out that the Law School's tuition recently increased from \$10,000 to \$23,000 for residential students. He stated that UNLV was now in a position of having to cur (t)-2 (ude-2 (o c)4 (ur)3 -10 (c)4 (um0 (a)4 (t)-2 ()-8 (e)4 (j)2 (N ()Tj-2 (uc)C4

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14. Approved -Employment Contract, Head Men's Basketball Coach, UNB (Agenda Item #14)
– (Cont'd.)

Regent Knecht indicated that he would agree with that and requested a copy of the discussion that Chair Geddes referred to.

18. Approved -Employment Contract, Athletic Director, UNLV (Agenda Item #18) (Cont'd.)

Regent Crear expressed his ongoing concern for the lack of diversified employment searches, adding that the search process is flawed. He personally has had some issues with attempting to bring fundraising to UNLV and stated that those issues should be addressed moving forward. However, due to the number of initiatives going forward, he felt that it would be beneficial to stay the course with the current process.

- 22. Approved -Faculty Hire Above Salary Schedule, Assistant Professor, Pulmonology and Critical Care, UNSOM (Agenda Item #22) The Board of Regents approved employment salary above schedule for Matthew Schreiber, M.D., in the position of Assistant Professor, Pulmonology and Critical Care, in the Department of Internal Medicine, at a salary of \$290,000, which exceeds the established maximum salary of \$184,224 (BOR-22 on file in the Board office).

Regent Crear moved approval of employment salary above schedule for Matthew Schreiber, M.D., in the position of Assistant Professor, Pulmonology and Critical Care, in the Department of Internal Medicine, at a salary of \$290,000, which exceeds the established maximum salary of \$184,224. Regent Doubrava seconded. Motion carried. Regent Anderson was absent.

- 23. Approved-Faculty Hire Above Salary Schedule, Professor, College of Engineering UNLV (Agenda Item #23) The Board of Regents approved employment salary above schedule for Dr. Kwang Kim, in the position of Full Professor in the Howard R. Hughes College of Engineering at a nine month salary of \$186,000 effective for the 2012-2013 academic year, which exceeds the established nine month maximum salary of \$163,437 (Ref. BOR23 on file in the Board office).

Regent Alden moved approval of employment salary above schedule for Dr. Kwang Kim, in the position of Full Professor in the Howard R. Hughes College of Engineering at a nine month salary of \$186,000 effective for the 2012 academic year, which exceeds the established nine month maximum salary of \$163,437. Regent Page seconded.

Regent Blakely expressed his support and related that Dr. Kim had previously been employed at UNR.

Regent Alden noted that a resume had not been included with the reference material. President Smatresk related that Dr. Kim held a stunning resume with over 250 publications.

Regent Knecht expressed his enthusiasm for this request and for the spirit of competition that would be growing between the two Universities in the area of engineering.

Chair Geddes expressed his support for this request.

Regent Schofield expressed his appreciation to both schools for working as a team.

Motion carried. Regent Anderson was absent.

24. Approved -HandbookRevision, New Hires

25. Approved -Mission Statement and Core Themes, TMCC (Agenda Item #26) The Board of Regents approved TMCC's core themes and revised mission statement (BOR 26 on file in the Board office).

President Sheehan related that the Northwest Commission on Colleges and Universities (NWCCU) requires approval of an institution's core themes by its governing board.

Chancellor Klaich commended President Sheehan for the exemplary job that she and the TMCC administration and faculty were doing to enhance student success at every level.

Regent Trachok moved approval of TMCC's core themes (1. support lifelong learning through strengthening institutional infrastructure and

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27. Information Only – Public Comment (Agenda Item #25) (Cont'd.)

staff recruitment failed due to uncompetitive compensation and benefit packages. The current health benefits have been given as a reason for not accepting employment offers and have also been cited as a reason employees that are leaving.

Mr. Brad Summerhill, Chair of the Faculty Senate Chairs Council, addressed the Board to offer a contextual view of comments made the previous day regarding coaching salaries, specifically in regard to a statement about the coaching salaries on revenue generating sports. Mr. Summerhill related that the majority of professors at TMCC earn below \$60,000 annually with the median salary being within the \$50,000. He emphasized that his comments were not in regard to Coach Carter but rather in regard to salaries of non-revenue generating programs. The Faculty Senate Chairs Council also asked that the Board take action immediately to request that a current vacancy on the Board B designed to be filled by a state employee be filled by a state employee that represents NSHE. Mr. Summerhill emphasized that the NSHE representative of the clients in the PEBP System yet only has one position on a Board of seven. He added that could be a good opportunity to help address the dissatisfaction reflected on the recent survey.

28. Information Only -CodeRevision, Sharing of Employment Application Materials for Employee Recruitment Purposes (Agenda Item #27) – (Cont'd.)

President Sheehan related that the policy revision had been ~~throught~~ through with Mr. Bart Patterson, President of NSC, while he had been Chief Counsel for the System. President Sheehan also related that the policy revision had the support of all of the System's presidents and the members of EDIC.

Regent Knecht requested confirmation that the checkbox will be on all applications and available to all applicants. President Sheehan replied that was the goal.

Regent Knecht asked

29. Information Only -PEBP Task Force Agenda Item #31 (Cont'd.)

Dr. Cochran related that last fall a survey of NSHE employees was conducted to determine satisfaction with the changes that had occurred with the PEBP benefit plans in 2011. Since PEBP was also planning to conduct a satisfaction survey, they asked if they could join NSHE's process. UNLV and PEBP staff then met to review and agree the questions. All employees within NSHE were informed of the availability of the survey between March 16, 2012 and April 15, 2012.

Dr. Cochran related that there were 7,500 respondents to the survey, with 2,497

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30. Information Only -Handbook Revision, Conflicts of Interest (Agenda Item #28) (Cont'd.)

Ms. Nielsen related that at the previous day's Academic and Student Affairs Committee meeting a Board mandated report was presented regarding the compensated outside activities of the faculty. When faculty works for an employer outside of their employment at an NSHE institution, all faculty member must report that relationship and request permission to engage in that relationship.

Regent Knecht related that he has championed the faculty's side of the disclosure process so that outside work is not discouraged.

Ms. Nielsen indicated that the policy on compensated outside activities could be expanded to include all professional employees of NSHE. Not just research faculty.

Regent Knecht felt that, in his experience, the problem was not just paid positions, but also with informal connections and relationships that are not immediately seen by the public. He did not think that prohibition of those relationships would help the substantive issues beyond what disclosure would. If the public becomes aware that a president is on a board and that company president is then elected to the Board of Regents, the public and press can make its own decisions. He hoped that Ms. Nielsen brought back a proposed policy that applies more extensively to the Chancellor, the presidents, vice chancellors and other faculty.

Regent Crear asked what portion of NRS 281 applied to academia and/or the Board of Regents. Ms. Nielsen felt that the statute was designed to address professional conflict of interest on the part of all public employees and public officers. She was satisfied that the statute was enough. However, the policy of the Board does not address the types of situations being discussed so there was a need for some type of policy consideration by the Board.

Regent Melcher expressed his support of participation on outside boards by the presidents and others. However, he felt that a policy needed to add another layer of protection for the Board, System, the institutions and staff. He asked if any of the concerns could be solved through education as opposed to the placing of restrictions. Ms. Nielsen replied that she would make education a priority through the general counsel's office for each institution.

Regent Crear requested that Ms. Nielsen look at other public state institutions of higher education and any applicable state ethics statutes to determine how situations have developed that allow presidents or high ranking officials to make money while sitting on outside boards.

Chair Geddes agreed with Regent Knecht that the outside compensated activities policy could be expanded to include all professional staff.

31. Information Only -Campus Master Plan Update, UNL (Agenda Item #29) (Cont'd.)

Regent Crear indicated his support and excitement for the master plan. He asked what the anticipated

32. Approved -UNLVNow Project (Agenda Item #30) (Cont'd.)

Regent Trachok disclosed that his law attorney at his law firm represents parties in th UNLVNow project. Therefore, he would not be participating in the discussion or voting on the matter.

32. Approved -UNLVNow Project(Agenda Item #30) (Cont'd.)

stakeholders but was now led by the community and those that believe in the mission of the community and University. The community sees this project as a catalyst for transforming the University and its culture while recognizing the billions of dollars in economic benefits that this project would bring to the region. Mr. Cavileer stated that the Las Vegas community wants a comprehensive plan such as the UNLVNow and the UNLV Midtown Area project.

Mr. Roski felt that the governing boards of institutions of higher education owed it to their campuses to consider new ways to accomplish the mission without looking to the state for more funding or to raise student fees. He felt that p

32. Approved -UNLVNow Project(Agenda Item #30) (Cont'd.)

Regent Knecht expressed his support and enthusiasm for the project. However, he felt that it was the Board's fiduciary responsibility to ask tough questions. He understood that the financial estimates were complex and difficult to determine at this point.

Regent Knecht asked if it was correct to state that the ENA contained a number of "off ramps" for the System. President Smatresk indicated that was correct, adding that there were a number of points at which the Board could cease the negotiation process.

Regent Knecht asked that he be allowed to personally review the financial models when they become available. He felt when that analysis was brought forward, he hoped that it would withstand "stress testing," in particular, not just expected values but also scenarios that address the possibility of drops in property sales and entertainment taxes of the sort experienced over the last four years. President Smatresk replied that UNLV has experienced such a drop in the Thomas and Mack Center. However, by the same token, the Thomas and Mack Center has been incredibly successful.

Regent Knecht stated that he would like to see what the possibilities would be for the University, the state and the taxpayers to participate in any equity stake without debt. Mr. Bomotti related those scenarios have been discussed but not finalized at this point in time. Since UNLV is a public entity there cannot be any form of real equity to the institution. However, the Board may allow some structure that would provide equity benefit.

Regent Knecht asked that another stress test

05/31/12 & 06/01/12 –

33. Information Only -Strategic Directions for the Future of Higher Education (Agenda Item #34)– (Cont'd)

innovation, technological progress and productivity gains through restructuring and generally doing more with less.

Regent Knecht left the meeting.

34. Approved -Election of Officers (Agenda Item #39) - In accordance with Regents' Bylaws (Article IV, Section 2) an election of officers for FY 2012~~3~~ was held. These officers were elected to serve from July 1, 2012, through June 30, 2013.

A. Chair – Regent Page nominated Regent Geddes.

Regent Tachok seconded. Motion carried. Regent Knecht was absent.

B. Vice Chair – Regent Trachok nominated Regent Page.

Regent Alden seconded. Motion carried. Regent Knecht was absent.

Regent Knecht entered the meeting.

35. Information -Report on the Committee to Study the Funding of Higher Education (Agenda Item #36)– Chancellor Daniel J. Klaich presented a report on the progress of the Legislature's Interim Committee to Study the Funding of Higher Education. This included a review of the proposed timeline for the Committee's work and ex(d t)-2 H(e)4 (. (30, h)-1 30, h)-1 30, hfor th

36. Action Taken -2013 Capital Improvement Projects and 2013 Biennial Budget Discussion (Agenda Item #37) (Cont'd.)

Chair Geddes felt that in previous budget discussions, the Board had approved a process to extend budget cuts to the UNR Cooperative Extension program for an additional year and to leave that program on the priority list to provide time for program supporters to request restoration of funding on behalf of the Board of Regents.

Chancellor Klaich replied that it would be difficult for him to differentiate budget reductions for one program from the reductions made at the other institutions. Although he understood the statewide mission of the University of Nevada, Reno and its Cooperative Extension program, he felt that then UNR President Glick and then UNR Provost Johnson made a specific decision to field UNR's portion of the budget reductions in the manner that they had specified.

Chair Geddes stated that it was more a question of process ~~budget~~ that the Board had approved and ratified a decision to retain Cooperative Extension as a budget priority. Chancellor Klaich indicated that he would need to review those meeting minutes.

Chair Geddes requested that the minutes be reviewed ~~to determine~~ if such a motion had been made and if so, then the Board needed to address its previous action as part of its consideration for that day's presented budget priorities.

Regent Crear requested confirmation that the restoration of salary will ~~cost~~ \$110 million. Chancellor Klaich related that the Governor's Budget instructions indicated the cost will be approximately \$97 million. Upon review of the Governor's instructions, the NSHE Finance department felt that the number would be slightly higher but within \$100 million.

Regent Crear asked if the definition of restoration was to return salaries to pre implementation of budget reduction measures, or to make up for some of the difference that would have since been lost. Chancellor Klaich replied ~~that~~ to bring the faculty back to pre implementation of budget reductions and not to make up for any applicable increases that may have occurred during the salary freeze.

Regent Crear asked that Chancellor Klaich clarify the NSHE's operating request. Chancellor Klaich recommended that the Board adopt as its operating base and enhancements the three items listed as Priority 1 (Consistent with Governor's Budget instructions) Priority 2 (Items for Special Consideration) and Priority 3 (Policy Considerations). However, he also brings forward items listed under Priority X on behalf of the individual institutions but it was not his recommendation that institution specific priorities be built into the budget (see handout on file in the Board office)

Regent Crear requested clarification of items a, b and c listed under Priority 2.
Priority 2 –Items for Special Consideration:

36. Action Taken -2013 Capital Improvement Projects and 2013 Biennial Budget Discussion (Agenda Item #37) (Cont'd.)

- a. Adoption of new funding formula with appropriate provisions for mitigation - Chancellor Klaich explained that in the new funding formula model there are negative impacts for the three northern community colleges that total approximately \$13.2 million. He felt that cuts of that magnitude may be difficult for those institutions to absorb and will therefore bring forward some form of mitigation when the final budget is proposed.

Regent Crear asked if mitigation was similar to hold harmless. Chancellor Klaich replied that it was similar. He stated that there were many issues still to be resolved such as how much, for what, for how long, and one time versus operating. Those will be worked out and brought back to the Board for its discussion.

- b. Performance Pool Funding – Chancellor Klaich explained that as the funding formula recommendations were developed, there has always been an aspect of performance funding contained within it. The System has never taken a specific position that performance incentives should be funded other than with new money. Although there has been much discussion of whether performance funding should be carved out of existing funding, Chancellor Klaich emphasized that has never been the System's position. The System will bring forward a proposal for a performance funding pool based on the NGA metrics as previously presented to the Board.

Regent Crear asked if performance pool funding included faculty merit pay. Chancellor Klaich clarified that performance pool funding did not include individual faculty merit pay. He explained that performance pool funding was more consistent with institutional merit pay that will only be received if the approved metrics are met.

Regent Crear asked what the anticipated number for that funding will be. Chancellor Klaich replied that was as yet an undefined number.

- a. Phased restoration of the approximately 29% of general fund reduction (adequacy issue) Chancellor Klaich explained that in previous biennia, the System had hit a legislative "higher" mark for funding of no greater than \$683 million. Current funding is \$473 million. One of the decisions made in developing the new funding formula model was to make it revenue neutral. However, a consistent question throughout the process has been if the System is funded adequately, to which Chancellor Klaich has replied that the System was not. This request would be a placeholder to draw back some of that funding gap over time.

Regent Crear asked if the items requested were revenue neutral then would the funding come from. Chancellor Klaich clarified that only Priority 1 would be revenue neutral and that is to comply with the Governor's Budget instructions.

36. Action Taken -2013 Capital Improvement Projects and 2013 Biennial Budget Discussion(Agenda Item #37)- (Cont'd.)

Chair Geddes explained that the Board will be presented with actual budget templates at its August 24, 2012, meeting. Per the Governor's Budget instructions the System's budget should be set at a flat dollar amount of \$100 million for restoration of faculty salary. Priorities 2, 3 and X are not in the Governor's Budget and cannot be accurately determined until the new funding formula is approved.

Chancellor Klaich added that the recommendations before the Board are an indication of how the System would like to build the budget so that it may propose an actual budget to the Board at its August 24, 2012, meeting.

Regent Knecht asked if the recommendations for the operating budget were revenue neutral based on the current or previous budget numbers. Chancellor Klaich stated that his definition of revenue neutral for that day's discussion and during the analysis for the Interim Committee to Study the Funding of Higher Education was based on current appropriations of \$473 million for each year of the biennium.

Given the Governor's Budget instructions, Regent Knecht felt that it would be reasonable to address revenue neutrality in the new funding formula in terms of \$473 million plus \$100 million. Depending on the state's fiscal condition, that number could be even higher as the basis for assessing revenue neutral allocations. Chancellor Klaich related that he tries to bring to the Board a budget request that is in compliance with what the Governor has asked for. The proposed recommendations are what the System feels are good priorities to start with. He intends to fight for more than \$473 million, but that is the number that he will start with.

Regent Knecht agreed that would be a reasonable and defensible position from which to start from. However, he also felt that it was just as reasonable to start with \$473 million plus \$100 million. He also felt that although some accounts of the budget reductions sustained by higher education have been overstated, the fact is that higher education has been hit hard in reductions relative to other favored areas of the State's budget. He felt that there was a good argument for requesting above \$573 million. Chancellor Klaich agreed with Regent Knecht.

In regard to Cooperative Extension, Regent Knecht also recalled that the Board had expressed a commitment that the Cooperative Extension program remains a priority to provide the program's advocates with an opportunity to have funding for that program restored. To that end, subject to verification of the record or reconsideration by the Board, he hoped that the Cooperative Extension program would be included under Priority 1 or Priority 2 for the reasons previously expressed by Regent Geddes.

Chancellor Klaich clarified that the \$100 million being discussed is a biennial figure (50 million in each year of the biennium)

36. Action Taken -2013 Capital Improvement Projects and 2013 Biennial Budget Discussion (Agenda Item #37) (Cont'd.)

Regent Knecht noted that the \$473 million figure was an annual figure. Chancellor Klaich indicated that the 10% increase in the System's budget had been based on the application of the cost of restoration of faculty salaries to the \$473 million annual budget.

Regent Alden asked if the Board would consider the operating budget as a committee of the whole. Chair Geddes stated that was correct.

Regent Alden emphasized that it was important to request the level of funding that was needed. He felt that funding should cover enrollments, productivity and graduation rates which meant that the smaller schools would be hurt, particularly GBC and WNC. However, given his opinion, he also felt that it was important for the local communities to support their schools. He noted that that the southern institutions had 72 percent of the enrollments but only 62 percent of the budget. He asked that CSN, UNLV and NSC

36. Action Taken -2013 Capital Improvement Projects and 2013 Biennial Budget Discussion(Agenda Item #37)- (Cont'd.)

Regent Melcher stated that earlier that day, he had made a comment to the Chancellor that it was important to find all institutions as best as possible. He emphasized the importance of the System and the state moving past the north versus south mindset and moving toward making the best decisions for the state.

Regent Doubrava asked President Johnson to elaborate on the School of Medicine enhancement listed under Priority X. President Johnson related that the 2009 Legislature had invested taxpayer funds into the Health Sciences Education Building to increase the medical class size from 62 to 100 students and the nursing class size from 96 to 192 students per year. Although the facility is now available, staffing is needed to fulfill the goal of that building. The request includes three functions: 1) additional staffing for the School of Nursing; 2) additional staffing for School of Medicine in the Health Sciences Education Building and to implement the integrated curriculum mandated by the LCME review; and 3) to increase staffing to enhance the number of clinical and residency spots to mirror the image of the large class size. President Johnson stated that it was not a restoration but a growth to meet objectives.

Regent Doubrava asked for clarification if the request was to address growth to meet the

36. Action Taken -2013 Capital Improvement Projects and 2013 Biennial Budget Discussion
(Agenda Item #37) (Cont'd.)

Following that item, Chancellor Klaich stated that the next category reflected the Board's policy that funds be requested each biennium for the improvement and maintenance of

37. Approved -Academic & Student Affairs Committee (Agenda Item #40) (Cont'd.)

Ms. Crystal Abba, Vice Chancellor for Academic and Student Affairs, presented a summary report on compensated outside professional and scholarly services performed by fulltime faculty members across the NSHE, including institutional resolution of potential conflicts of interest in accordance with Board policy (Title 4, Chapter 3, Section 8 and Title 4, Chapter 11, Section 12).

Action items

Board action was requested to approve the following recommendations of the Academic and Student Affairs Committee.

The Committee recommended approval of the minutes of the March 1, 2012, meeting of the Academic and Student Affairs Committee.

The Committee recommended approval of the elimination of the BA in Senior Adult Theater at UNLV.

Regent Crear moved approval of the Committee's recommendations and acceptance of the report. Regent Leavitt seconded. Motion carried. Regents Anderson, Page and Wixom were absent.

38. Approved -Audit Committee (Agenda Item #41) Chair Mark Alden reported that the Audit Committee met on May 31, 2012, and heard the following reports:

The Committee received follow up responses for six internal audit reports that were presented to the Audit Committee at the December 2011 meeting.

Ms. Sandi Cardinal, Assistant Vice Chancellor for Internal Audit, reported that all institution bank reconciliations are up to date.

The Committee did not recommend approval of an exemption for the year ended June 30, 2012, from the audit requirements stated in the Board of Regents Handbook (Title 4, Chapter 10, Section 9.B1)

38. Approved -Audit Committee(Agenda Item #41)

40. Approved -Investment & Facilities Committee (Agenda Item #43)

40. Approved -Investment & Facilities Committee Agenda Item #43 (Cont'd.)

The Committee heard the presentations of the two Merchant Wre f EMC anomm

41. Approved -Workforce, Research And Economic Development Committee Agenda Item #44) – (Cont'd.)

Representatives from each NSHE institution were available to answer questions on information presented on the job fairs and career placement programs in place at their respective institutions.

Action items:

42. Approved -Cultural Diversity Committee (Agenda Item #45) (Cont'd.)

The Committee recommended endorsement of a proposed amendment to the Code provisions governing confidentiality of employment application materials (Title 2, Chapter 5, Section 5.6.9) which will change the application process to authorize the sharing of application materials between NSHE institutions for employment recruitment purposes if the applicant gives permission to share such information. This item will be presented for an initial discussion to the Board of Regents on June 1, 2012, and will be on the agenda for final action at the September Board of Regents' meeting.

New Business

Regent Crear requested an update on TMCC's efforts to create an Office of Inclusion and Diversity at the September meeting.

Regent Crear moved approval of the Committee's recommendations and acceptance of the report.
Regent Trachok seconded. Motion carried. Regents Anderson, Page and Wixom were absent.

43. Approved -Health Sciences System Committee (Agenda Item #46) Chair James Dean Leavitt reported that the Health Sciences System Committee met on June 1, 2012, and heard the following reports

Chair Leavitt provided remarks throughout the meeting. He recognized the first two graduates of joint PhD programs in Nursing

43. Approved -Health Sciences System Committee

43. Approved -Health Sciences System Committee (Agenda Item #46) (Cont'd.)

Regent Leavitt moved approval of the Committee's recommendations and acceptance of the report.
Regent Doubrava seconded. Motion carried.
Regents Anderson, Page and Wixom were absent.

44. Information Only -CodeRevision, Curricular Review (Agenda Item #32) Interim Chief Counsel Brooke Nilsen requests Board of Regents approval of amendments to the Board of
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44. Information Only -CodeRevision, Curricular Review~~Agenda Item #32~~ (Cont'd.)

criteria by which an institution will try and offer reemployment of those faculty having been laid off. Other elements of the process include access to financial data used to develop the proposal opportunity to suggest alternatives and a final plan that is presented to the Board for its review and approval.

Ms. Nielsen related that the proposed revisions pertaining to the process for reconsideration of employment were mostly minor but included provisions for the

44. Information Only -CodeRevision, Curricular Review~~Agenda Item #32~~ (Cont'd.)
cap of 6% for the entire period of the reduction based on the same process of consultation
and recommendation required for the initial implementation. ~~He asked~~ what the

45. Information Only -Statewide Longitudinal Data System (SLDS)(Agenda Item #35 (Cont'd.)

protected. Fourth, creating a vision for the states longitudinal data system to ensure that it will support the state's education and workforce development needs for which the Council has adopted a mission and vision statement. The fifth and final deliverable is for any legislation to carry out the Council's recommendation.

Vice Chancellor Abba related that the state of Nevada recently secured a \$4 million grant to conduct a feasibility study and the creation of a matching hub. A matching hub will be able to take individual data from the Nevada Department of Education, the Department of Training and Rehabilitation (DTR) and NSHE and place it into a central mechanism that will create a unique identifier. Such a hub will create a streamlined and more accurate process for the matching of information between agencies.

Vice Chancellor Abba related that having a matching hub will streamline and ensure the accuracy of data even if the full objective of the SLDS initiative is not realized. Vice Chancellor Abba emphasized that an SLDS will create an infrastructure around what is already being done manually. If there is opposition to spending funds on an SLDS, the question needed to be asked if it would be worth it in terms of the costs associated with the manual effort already taking place.

Regent Leavitt asked how often the Council meets. Vice Chancellor Abba related that the Council typically meets on a monthly basis.

Regent Leavitt asked if former Regent, Brett Whipple, still served on that Council. Vice Chancellor Abba replied that he did.

46. Tabled -Course Content Accountability(Agenda Item #38) The Board of Regents tabled discussion of this item until its September 2012 meeting.

47. Information Only –