

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
Friday, August 24, 2012, 9:00 a.m.

President Michael D. Richards, CSN
President Stephen G. Wells, DRI
President Mark A. Curtis, GBC
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 Dr. Charles Milne, CSN; Dr. David Rhode, DRI; Dr. David Friestroffer, GBC; Ms. Angela M. Brommel, NSC; Ms. Dani Chandler, NSHE; Dr. David W. Zeh, UNR; Mr. Brad Summerhill, TMCC; and Mr. Gil Martin, WNC. Student government leaders present included Mr. Michael J. Gordon, GPSA President, UNLV and Mr. Curtis Blackwell, ASWN President, WNC.

Chairs Geddes called the meeting to order on Friday, August 24, 2012, at 9:02 a.m. with all members present except Regents Blakely and Crear.

Regent Schofield lead the pledge of allegiance.

Regent Alden asked for a moment of silence in honor of the recent passing of Mr. Bob Blum and Dr. Nasser Daneshvary.

Regents Blakely and Crear entered the meeting.

1. Information Only - Public Comment (Agenda Item #1) – The following individuals appeared before the Board of Regents to express concern regarding the significant impact of the proposed budget on the services and programs provided by the University of Nevada Cooperative Extension (*UNCE*) program: Mr. Tom Baker, Chair, Advisory Committee, UNCE; Dr. Ruth Politi; Mr. Alonso Flores, Institute for Mexicans Abroad; Ms. Louise

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

2. Approved – Consent Items (Agenda Item #2) – (Cont'd.)

2d. Approved - Amendment to Utility Easement, DRI and TMCC (Agenda Item #2d) – (Cont'd.)

Regent Wixom noted the Board had approved this project in December of 2011, and asked when construction of the two windmills would commence. Mr. Luke Busby, Esq., Attorney for Red Mountain Wind (RMW) replied that the financial plans should be submitted to DRI and TMCC in two weeks, foundation work is planned for mid-October and the cranes are scheduled to be on-site by November 15, 2012.

Regent Wixom asked if the Board or System will have the opportunity to review the financial plans. Mr. Busby confirmed the System will receive the financial plans in two weeks.

Regent Wixom asked what the anticipated deadl(s)]TJ Mr(B)7 (us)-1 (by)30((r)3(ke)4(pl

2. Approved – Consent Items (Agenda Item #2) – (Cont'd.)

2d. Approved - Amendment to Utility Easement, DRI and TMCC (Agenda Item #2d) – (Cont'd.)

Regent Knecht wanted to know the best estimate for the economic impact on the taxpayers. President Wells expressed concern if such a request becomes an action item the project will be delayed. Regent Geddes clarified that the agenda item addresses the easements and that the pro forma had previously been approved by the Board.

Regent Trachok asked what permits are required for construction. Mr. Busby replied a permit from the State Public Works Board has already been obtained for construction of the project. A right-of-way permit has been received from Washoe County but construction permits have not yet been received.

Regent Trachok would like to see a timeline of the requirement milestones and deadlines for the necessary permits through the end of the project.

Regent Trachok asked if the turbines had been ordered and were in the process of being manufactured. Mr. Busby stated RMW has executed a contract with the turbine supplier and certain turbine components have been manufactured. Additional payments will be made for the towers. Regent Trachok expressed his concern that the project begin and end within the deadlines.

Regent Crear reiterated that in December of 2011, the full Board had approved the Investment & Facilities Committee recommendation to approve this project. He asked if the requested modifications will change the project cost or the estimated amount for power to each institution. Dr. Oppenheim replied that other than the requested easement modifications, no other terms to the power purchase agreement or the Dandini sub-lease will change.

President Wells clarified that Washoe County provided a temporary access easement which will be restored and returned to the County upon completion of the project.

Motion carried.

The meeting recessed at 10:59 a.m. and reconvened at 11:13 a.m. on Friday, August 24, 2012, with all members present.

Agenda Item #3 (*Fiscal Year 2013-15 Biennial Budget Operating Request*) and Agenda Item #5 (*Report on the Committee to Study the Funding of Higher Education*) were taken together.

3. Action Taken - Fiscal Year 2013-15 Biennial Budget Operating Request (Agenda Item #3) and Report on the Committee to Study the Funding of Higher Education (Agenda Item #5) – Chancellor Daniel J. Klaich and NSHE staff presented an updated report concerning the biennial budget requests for NSHE’s biennial operating budget for the 2013 Legislative Session as previously discussed by the Board on May 31-June 1, 2012. The report included the general overview of the biennial budget process, the establishment of System priorities, and a discussion of institutional budgets. The Board of Regents also heard a report from Chancellor Daniel J. Klaich on the progress of the Legislature's Interim Committee to Study the Funding of Higher Education. The Board adopted the 2013-2015 biennial budget as presented and in compliance with the instructions from the Governor, and instructor Das (nor).]TJ [(e)4 (h Tw [(C)-3 (ha)4 (nc)4 (e)4 (l)-2 (l,)TJ Tc Tc 0 Tw [(C)-3 T

3. Action Taken - Fiscal Year 2013-15 Biennial Budget Operating Request (Agenda Item #3) and Report on the Committee to Study the Funding of Higher Education (Agenda Item #5) – (Cont'd.)

Regent Alden moved approval of the adoption of the 2013-2015 biennial budget as presented and in compliance with the instructions from the Governor, and to further instruct the Chancellor and staff to work with the Governor and budget division to amend said budget to comply with the alternative funding model as presented to the Board and to approve Priority Recommendation 1 (*Employee Pay and Benefit Restoration*) and Priority Recommendation 2 (*Formula Implementation Funding*). Regent Wixom seconded.

Regent Alden asked how genuine was the conversation with the counties to potentially take over the governance of the community colleges and

3. Action Taken - Fiscal Year 2013-15 Biennial Budget Operating Request (Agenda Item #3) and Report on the Committee to Study the Funding of Higher Education (Agenda Item #5) – (Cont'd.)

Regent Anderson believed that although not perfect, the alternative funding formula was a step forward.

Regent Knecht asked, as moved and seconded, what the budget would be for the University of Nevada Cooperative Extension (*UNCE*). Chancellor Klaich replied the budget requested for the UNCE is approximately \$3.2 M in each year of the biennium.

Regent Knecht believed the proposal is cost informed, the point being there is not a real cost study available in Nevada to determine the cost of each type of class at each type of campus. Instead, the results of cost studies conducted at four other major universities were applied to the NSHE. Chancellor Klaich stated that was correct. However, he clarified that the National Center for Higher Education Management Systems (*NCHEMS*) had been asked to conduct the analysis within the range of those four other institutions.

Regent Knecht believed social value should be just as important as cost and questioned why taxpayers should pay eight times as much for an advanced course as for a basic course. Chancellor Klaich explained no attempt had been made to judge worth in the development of the base formula. The recommendation is to move it (y)3Am. 6.88)Tjtcomm06uostn (a

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3. Action Taken

3. Action Taken - Fiscal Year 2013-15 Biennial Budget Operating Request (Agenda Item #3) and Report on the Committee to Study the Funding of Higher Education (Agenda Item #5) – (Cont'd.)

Regent Crear asked how the Knowledge Fund is governed, which institutions were involved and how such an initiative benefits NSHE. Chancellor Klaich explained that there is a board structure similar to those in private industry. The Board will consider the economic development goals of the state, determine which institutions (*primarily DRI, UNLV and UNR*) have the specific resources needed and then purchase that research. The benefit to NSHE is through the direct and indirect funding of research projects similar to federal grants.

Regent Crear asked why the NSHE was taking a lead on this instead of the Governor's Office. Chancellor Klaich clarified that the NSHE was asking that the Governor's Office provide funding.

Regent Trachok voted to forward Priority Recommendation 3 (*Knowledge Fund*) to the Governor's office ofrc ofhasTd [(e)4 (vi)-2 d.ic(f)3 (u-2 (c-0 7c-2 d

3. Action Taken - Fiscal Year 2013-15 Biennial Budget Operating Request (Agenda Item #3) and Report on the Committee to Study the Funding of Higher Education (Agenda Item #5) – (Cont'd.)

Regent Trachok asked what the current tuition is for the UNLV School of Dental Medicine. Mr. Gerry Bomotti, UNLV Vice President of Finance and Administration, replied tuition is approximately \$210,000 (*four years*) or approximately \$53,000 per year for in-state students. Out-of-state students experience a 10-15% increase above that.

Regent Trachok asked if it was known what the tuition is at similarly situated medical schools across the country. President Johnson related the tuition at other medical schools in Nevada's region range from approximately \$40,000 (*high*)

4. Action Taken - 2013 Bill Draft Requests (Agenda Item #4) – (Cont'd.)

The following bill draft topics were presented to the Board of Regents for its consideration:

1. Bonding Authority – Increasing bonding authority for certain NSHE institutions as requested for specific capital construction projects.
2. Capital Projects – Provide NSHE institutions with option to “opt-out” from the State Public Works Board provisions for NSHE capital projects.
3. Implementation of Health Care Consultant Recommendations – Revise provisions relating to the Public Employees Benefits Program per recommendations of NSHE Health Care Consultant.
4. UNLVNow Project – Possible creation of a tax increment zone that would not raise taxes but would apply the increment of taxes generated by the project to fund the bonds used to finance the project.
5. Intellectual Property – Amend public records statutes to p5ocorn(i)-2 (na)4 (nc)d(c)TJ ()Tj

8. Information Only – Public Comment (Agenda Item #9) – Mr. Vinay Ramini addressed the Board in regard to CSN’s residency requirements. Chair Geddes asked that Mr. Ramini provide his contact information to Ms. Patty Charlton, CSN’s Vice President of Finance and Administration, so that the institution may research the specific concern and provide follow-up.

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