

SPECIAL MEETING

BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
System Administration, Las Vegas
4300 South Maryland Parkway, Board Room
Thursday, May 12, 2016

Video Conference Connection from the Meeting Site to:

Faculty senate chair in attendance was Dr. Camille Naaktgeboren, CSN. Student body presidents in attendance were Ms. Desiree DeCosta, NSSA President, NSC; Mr. Carlos Fernandez, CSUN President, UNLV; and Mr. Brandon Boone, ASUN President, UNR.

Chairman Rick Trachok called the meeting to order at 9:01 apr8,lh8.99 -1kk (ed)-4 (ed)-4b (l)-6 (o)--7 (ar)p4 (g

2. Action Taken – Review of NSHE’s Participation in Development of a New Funding Formula for Higher Education – (Continued)

- x The drafting of the August 23, 2012, memorandum regarding Nevada’s discipline matrix.

Regent Page entered the meeting.

- x A note on my (Chancellor Klaich) emails.
- x Response to specific questions.
- x Conclusion.

Chancellor Klaich stated in light of the controversy he recognized the Board may desire to transition to new leadership in preparation for the next legislative session. For that reason, he instructed his counsel to work with the Board Chairman and Board counsel to prepare a retirement agreement to take effect after this year’s commencements should the Board deem it in the best interests of the NSHE. The proposed retirement agreement provides for the early termination of his employment for convenience in accordance with the terms of his agreement. Chancellor Klaich stated it has been an honor and privilege to represent and advocate for the NSHE over the last 30 years.

Vice Chairman Wixom observed a report in the *Las Vegas Review-Journal* that the meeting was called after the *Review-Journal* reported hundreds of emails from 2011-2012 obtained by the newspaper, under the state Public Records Law, showed “the System worked to undermine a legislative committee that was studying ways to make college and university financing more equitable”. Vice Chairman Wixom took issue with the statement and noted for the record the Board has not come to that conclusion.

Regent Doubrava left the meeting.

Vice Chairman Wixom read into the record his remarks, Handout BoR-2a, made on March 19, 2013, before the Senate Finance/Assembly Ways and Means Joint Subcommittee on K-12/Higher Education.

Regent Doubrava entered the meeting.

Vice Chairman Wixom stated there is an implication the Chancellor can be fired for cause. Vice Chancellor for Legal Affairs Brooke A. Nielsen stated her role and fiduciary duty is to the entire Board as a whole. In a situation like this, pursuant to specific policy she reports directly to the Chairman of the Board Trachok. Vice Chairman Wixom asked if she had reviewed Chancellor Klaich’s contract, the 3,000 pages of emails provided to the *Review Journal*, Chancellor Klaich’s response provided to the Board, and the minutes from the Interim Committee for Higher Education Funding with Vice Chancellor Nielsen responding yes. Vice Chairman Wixom asked if she saw any basis for the termination of Chancellor Klaich for cause. Vice Chancellor Nielsen stated knowing all the facts and the t

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Vice Chairman Wixom asked Chief of Staff and Special Counsel Dean J. Gould to identify himself and explain his role. Chief of Staff Gould stated he is counsel to the Board of Regents and his role is particularly important when there may be a potential conflict between the System and the Board of Regents. His role is to strictly represent the interests of the Board of Regents. In response to Vice Chairman Wixom, Chief of Staff Gould stated he concurred with Vice Chancellor Nielsen’s conclusion.

Regent Geddes did not believe the integrity of the process was in jeopardy. Because of long-standing inequities of the formula, the System hired MGT to evaluate the funding formula. Study results were presented to the 2011 Legislature. There wed to the[(f)3 (or)3 0 (L)21 (e)-1

2. Action Taken – Review of NSHE's Participation in Development of a New Funding Formula for Higher Education – (Continued)

want to approve the retirement agreement, but he will because the Chancellor has asked him to do so.

Regent Melcher believed Chancellor Klaich's legacy will be written well. The Chancellor has served the System extremely well. There has always been outstanding support and dedication in the depths that the Chancellor has led the System. Chancellor Klaich has led the System through the most difficult times and the greatest comebacks.

Vice Chairman Wixom has always focused on the facts. The System is not where it was and is not operating under status quo. The formula is entirely different. Vice Chairman Wixom stated he will support the proposal. He stated he has reviewed the record and reiterated there is no basis for cause. The System did something significant with the formula that was positive and meaningful. Vice Chairman Wixom thanked the Chancellor for a stellar job. An electronic communication should not taint Chancellor Klaich's record or what the Board and Legislature have done for the System and Nevada.

Regent Page thanked Chancellor Klaich and his wife Denise Klaich for supporting him during his 30 years. The System will learn how much institutional knowledge is leaving with the Chancellor and how hard he worked. Regent Page stated he will support the proposal, but reiterated the Chancellor's hard work cannot be forgotten. The Chancellor should be defined by his hard work, dedication to the State of Nevada, NSHE, the students and the community.

Regent Anderson stated she worked in the System under the old formula where it was based on the number of students sitting in seats. The whole culture has shifted because of this new formula. She felt the Chancellor's dedication and good intentions are being overshadowed by a few unfortunate comments in emails. Regent Anderson thanked Chancellor Klaich.

Regent Lieberman stated the Chancellor built a wonderful team and he thanked them for their work and standing by the Chancellor's side.

Regent Hayes believed the Board should be defending Chancellor Klaich vigorously since Vice Chancellor Nielsen and Chief of Staff Gould both stated there is no reason for termination by cause. He stated he did not like the proposal on the table but will support the motion since it would be difficult to move forward without new leadership in the Chancellor position as the System moves into the legislative session.

Regent Crear stated he was a much better individual to have worked with Chancellor Klaich and for having known him and his family.

Regent Davidson stated it was a pleasure to have worked with Chancellor Klaich and found him to be of the highest character.

2. Action Taken – Review of NSHE’s Participation in Development of a New Funding Formula for Higher Education – (Continued)

Chairman Trachok believed the careless use of electronic transmissions has brought the Board the problem they face today. It is a difficult decision and has been a difficult process. Chairman Trachok stated he has known Chancellor Klaich for 50 years, but believed the proposed agreement is the correct one for the System in moving forward. The formula is fair, sound and the System did provide all the information that was available. The formula is transparent and based on objective criteria. The NSHE has been well served by Chancellor Klaich.

Chancellor Klaich appreciated the vigorous defense of the formula by the Board members. He stated he will walk away from a lifetime of passionate support for higher education. The public hearing today and kind comments of the Board will allow him to be proud with his head high knowing he has accomplished something that is appreciated and for that he is profoundly grateful.

Motion carried via a roll call vote. Regent
Doubrava voted no.

3. Information Only – New Business – None.

4. Information Only – Public Comment – Former Regent Blakely thanked Chancellor Klaich for his great service to the NSHE and the State of Nevada.