SPECIAL MEETING

BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION

System Administration, Las Vegas
4300 South Maryland Parkway, Board Room

Friday, May 4, 2018

Video Conference Connection from the Meeting Site to:
System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present:	Mr. Kevin J. Page, Chairman Dr. Jason Geddes, Vice Chairman Dr. Andrea Anderson Dr. Patrick R. Carter Mrs. Carol Del Carlo Dr. Mark W. Doubrava Mr. Trevor Hayes Mr. Sam Lieberman Mrs. Cathy McAdoo Mr. John T. Moran Ms. Allison Stephens Mr. Rick Trachok Mr. Anthony L. Williams (via telephone)
Others Present:	Dr. Thom Reilly, Chancellor Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs Dr. Constance Brooks, Vice Chancellor, Government and Community Affairs Mr. Chet O. Burton, Chief Financial Officer Ms. Christine Casey, Director, Human Resources Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board Mr. Nate Mackinnon, Vice Chancellor, Community Colleges Mr. Nicholas Vaskov, System General Counsel Dr. Margo Martin, Acting President, CSN Dr. Kristen Averyt, President, DRI Ms. Joyce M. Helens, President, GBC Mr. Bart J. Patterson, President, NSC Dr. Karin M. Hilgersom, President, TMCC Dr. Marc A. Johnson, President, UNR Mr. Mark Ghan, Acting President, WNC

Faculty senate chairs in attendance were: Dr. Jill Acree, CSN; Dr. John Rice, GBC; Dr. Zachary Woydziak, NSC; Ms. Marcie Jackson, SA; and Ms. Shannon Sumpter, UNLV. Student body president in attendance was: Ms. Kanani Espinoza, GPSA President, UNLV.

Chairman Page called the meeting to order at 9:00 a.m. with all members present except Regent Carter. Regent Stephens led the Pledge of Allegiance.

1. Information Only – Public Comment – The following people spoke in favor of a sustainable in-rank salary advancement system for faculty in the state: Mr. Kent Irvin, Nevada Faculty Alliance (NFA); Mr. John Nolan, UNR NFA; Mr. Robert Manis, CSN NFA; and Dr. Jennifer Nelson, CSN.

   Mr. Jeffrey Downs, WNC NFA, spoke in favor of transitioning community college faculty back to the step system. There is unanimous support at WNC and support from the Executive Committee and chapter presidents at the NFA's August 2017 state meeting.

   The following engineering students spoke about the limited UNLV research space and lab spaces in the Science and Engineering Building: Ms. Maria Ramos Gonzalez; Ms. Veronica McKinney; Mr. Jameson Lee; and Ms. Shadden Abdalla.

Regent Carter entered the meeting.

   The following UNLV engineering students spoke about the large Engineering class sizes and that they do not provide for a conducive learning environment: Ms. Veronica McKinney; and Ms. Shadden Abdalla.

   The following individuals spoke in support of the new UNLV Engineering Academic and Research Building: Ms. Hannah Patenaude, Senior Editor of the Nevada State Undergraduate Research Journal; Lt. Corey Jewell, Airforce ROTC Commander; Dr. Sarah Harris, Associate Professor of Engineering; Mr. Mike Maier, Alumni; Mr. Anthony Firmani; Mr. Michael Plinski, Alumni; Dr. Jacimaria Batista; Mr. Victor Wei, WHP Consulting President; Mr. Tim Wong, Arcata Associates President and CEO; Dr. Jefferson Kinney, Associate Professor of Engineering; Ms. April Contreras, Student; Ms. Chelsea Tran, Student; Ms. Marisela Thompson, Student; Dr. Paul Oh, Faculty; Dr. David James, Associate Professor of Civil Engineering; Mr. Mark Newburn, Department of Computer Science; Mr. Jack Braman, former CIO Las Vegas Sands International Gaming; Mr. Ray Chavez, Konami Gaming Senior Manager; Mr. Brandon Holten, Student; Mr. Larry Price, Lockheed Martin Deputy Program Manager; and Dr. Brendan O'Toole, Chair of the Mechanical Engineering Department.

   Ms. Jennifer Kennedy, UNLV College of Engineering Director of Advising, spoke about the challenges with student retention and progression due to full classes and limited classroom allocation.

2. No Action Taken – NSHE Corporate Distance Education – College Opportunity Program with MGM Resorts – Chancellor Thom Reilly reported on the NSHE Corporate Distance Education/MGM College Opportunity Program designed to make higher education a viable and affordable option for MGM employees and improve Nevada's degree attainment rate. The program will allow MGM employees to enroll in distance education programs, effective Fall 2019, at any of NSHE's seven teaching institutions providing access to programs across the entire state of Nevada. (Ref. BOR2 on file in the Board Office).

Chancellor Reilly stated tomorrow's economy is raising many uncomfortable questions and the answers are not encouraging. Few disagree that a post-secondary education system tuned to today's workforce is the key to developing good jobs and a thriving economy. Nevada is far from alone in facing this challenge but is also far from solving it. Nevada posts the lowest rate of citizens with post-secondary credentials and it ranks last in 25-34 year olds with an associate's degree or higher. The partnership with MGM Resorts will be the first of its kind in the nation and NSHE is very excited to partner with MGM Resorts. MGM is the largest employer in Nevada and consistently offers innovative solutions to work and strengthen the community.

Regent Stephens left the meeting.

Chancellor Reilly stated this is the first time a company has partnered with an entire system of higher education. The program will link Nevada's largest employer with all seven of Nevada's degree producing institutions. The partnership reflects a genuine commitment to improving Nevada's college attainment rate, especially among first-generation students. The partnership perfectly aligns with the Board's new strategic goals. The partnership increases access to higher education, ensures success and completion of degree programs, closes the achievement gap, strengthens workforce in the most important industries and will allow research to take place. A working group will be formed with representatives from MGM, NSHE and participating institutions to finalize the particulars of the program including the cost structure.

Chairman Page entered the meeting.

The goal is to have a final agreement completed by September 2018 subject to ratification by the Board of Regents and MGM.

Chancellor Reilly introduced Mr. John McManus, Executive Vice President, General Counsel and Secretary, MGM Resorts.

Regent Stephens entered the meeting.

Mr. McManus stated MGM Resorts is excited to have the opportunity to make higher education more accessible and affordable to its employees. It is a worthy goal and worth the effort and the money that will ultimately be placed in this program. The working group will work through the details to create a sustainable program. The program will

2. No Action Taken – NSHE Corporate Distance Education – College Opportunity Program with MGM Resorts – (Continued)

tie in the opportunity for online learning to allow flexibility in the employees' personal lives.

The meeting recessed at 10:35 a.m. .and reconvened at 10:43 a.m. with all members present except Regents Del Carlo, McAdoo, Moran and Stephens.

4. Approved – Appointment, President, WNC – (Continued)

Regent Carter stated he had the opportunity to hear Dr. Solis speak in Carson City to a packed room and was amazed at the response he received from those in attendance.

Motion carried via a unanimous roll call vote. Regent Moran was absent.

Regent Trachok moved approval of the proposed salary and contract terms. Regent Lieberman seconded. Motion carried. Regent Moran was absent.

Dr. Solis thanked the Board of Regents and Chancellor Reilly for the opportunity. He is grateful, honored and humbled to be bestowed with this honor. He will work diligently to ensure the continued success of the institution.

Regent Hayes and Chancellor Reilly thanked Acting President Ghan for his outstanding service to WNC.

5. Information Only – Remarks from State Legislators – Chairman Kevin J. Page invited state legislators in attendance to make brief remarks regarding the NSHE budget process. (Ref. BOR5 on file in the Board Office).

Senator Joyce Woodhouse appreciated the fact that the NSHE Funding Formula is on the agenda. She stated it is good to review how the Funding Formula is working to see if improvements are needed. She encouraged the Board of Regents and the NSHE staff to keep the legislators informed about the Funding Formula, capital improvement projects, and what needs to be done for the students and staff.

Assemblywoman Maggie Carlton remembered when the Funding Formula was changed in 2011 trying to make sure that the legislators were going down the right path. She thanked those that worked hard on the Funding Formula. She stated she looks forward to working with the NSHE on this issue. Her goal is to make sure the students have every opportunity to succeed.

Regent Moran entered the meeting.

Senator Moises Denis stated he wants to work with the NSHE on the policy side as well as the technical side of formula funding. He stated they must make sure that an education is available to all Nevada children. He acknowledged the Nevada Promise Program, the Silver State Opportunity Grant, and the Millennium Scholarship Program, all which are providing opportunities for student success.

6. Information Only – NSHE Funding Formula and Self-Supporting Budget Overview (Agenda Item 7) (Continued)

Vice Chancellor for Government and Community Affairs Constance Brooks stated she works in conjunction with the Board Chairman, Chancellor and CFO to make a recommendation that is realistic based on the funds that are available, the competing demands of the other agencies, the needs of the state and the priorities of the Legislature.

The meeting recessed at 11:48 a.m. and reconvened at 12:12 p.m. with all members present except Regents Carter, Moran and Stephens.

7. Information Only – Faculty Compensation Study (Agenda Item 6) – Mr. Jim Fox, Arthur J. Gallagher & Company, presented a PowerPoint titled, "Compensation Study" which included a summary of its findings related to the salary study requested by the Chancellor. (Ref. BOR-6 and supplemental material on file in the Board Office).

Chancellor Reilly stated the Faculty Compensation Study is extremely timely given the mandate of Assembly Bill (AB) 202 to examine the System's compensation for faculty across the NSHE and the desire of the universities to hire elite faculty necessary to achieve Carnegie R1 classification. The NSHE academic salary schedules were last updated in 2012 using the land-grant university data collected by Oklahoma State University for benchmarking purposes at 75 percent of the universities, 83 percent for the state college and 78 percent for the community colleges.

Regent Moran entered the meeting.

Chancellor Reilly stated the methodology for updating the salary schedules was last reviewed by an external consultant in 1999. It was recommended at that time to use the 75th percentile for the universities in establishing competitive salary schedules.

Chancellor Reilly reported he met with institutional Presidents and proposed hiring an external compensation consultant to conduct a study of NSHE's salaries. The Presidents supported the recommendation. Five compensation consulting firms were contacted as possibilities to conduct the study. Arthur J. Gallagher & Company was selected. The consultant was charged with the review of: 1) current academic, administrative and executive salary schedules used for the universities, state college and community colleges to determine if they are appropriately competitive upon hire; 2) salaries paid to currently employed academic and administrative faculty to determine if they are appropriately competitive; and 3) to recommend a methodology for adjusting NSHE salary schedules going forward.

Regent Carter entered the meeting.

7. Information Only – Faculty Compensation Study (Agenda Item 6) (Continued)

The consultant agreed to the scope of work. Arthur J. Gallagher & Company was hired for its expertise and NSHE did not influence them in terms of how the study was conducted. Arthur J. Gallagher & Company has worked with 70 colleges and universities on similar projects and approximately half of its business is with higher education institutions. Their experience in higher education compensation is indisputable.

Chancellor Reilly stated that while the Gallagher Study reveals that NSHE has competitive salaries and on average is competitive with the market, NSHE does have a significant salary compression problem. There are many ways to measure salary compression and one such method was used and should be viewed as a measure of magnitude. The compression figures provided in the study highlight the magnitude of the problem that new faculty are being hired at higher salaries and many long-term faculty have foregone cost of living and merit over a number of years resulting in salary compression.

Mr. Jim Fox,

7. Information Only – Faculty Compensation Study (Agenda Item 6) (Continued)

brightest and best and then must keep them by providing livable salaries, rewards for hard work, decent health insurance, infrastructure and support that allows them to teach students, prepare a workforce and deliver groundbreaking discoveries. This does not include those that are already here teaching Nevada's children, preparing Nevada's workforce and delivering discoveries that benefit Nevada, the west and the world. The institutions are just now back to pre-recession funding levels. Over the decade faculty had stagnant salaries, lost billions in retirement plans, and have health insurance with deductibles that no one meets unless a catastrophe strikes. Layoffs, buyoffs, and hiring freezes forced many to work harder for less. NSHE faculty are appreciative of the cost of livrepaoffss, losveilivrepaoffsr41 Tw 35.04 0 T ( )]TJ -0.003 Tc [(e fof)(ar)-11 (e)]TJ 01.47 Tw 28.43

7. Information Only – Faculty Compensation Study (Agenda Item 6) (Continued)

dramatically change the outcome of the analysis. The recommendation for the creation of the state college salary schedule would be derived from a clear institution model. If peer institutions are not accurately reflected, then the salary schedule will also not be accurate. Since the salary schedule is used for initial placements of new faculty, as well as to identify compression issues, it will be imperative to accurately reflect peers. NSC is recommending that after careful examination the peer institutions that are not good comparisons to NSC be removed, even if it results in a reduction of the number of peer institutions.

GBC Faculty Senate Chair John Rice stated this report is important to the community colleges, because of their role in workforce development for current and new opportunities. He appreciated the work of Arthur J. Gallagher & Company and the grace that was shown when asked very difficult questions. The community colleges agree with many of the conclusions but especially the need to improve and standardize individual job descriptions and the salary compression issues. There is concern that the community colleges were only compared to the peer institutions at the 50th percentile, which could lead to conclusions that are not based on the same datasets as the universities and state college. Peer institutions need to be chosen more appropriately for the community colleges and more attention is needed as to whether faculty have opportunities for tenure and live in comparable economies. The Gallagher Report has placement grades and, unfortunately, placement grades are based on educational background and not on years of service.

Vice Chairman Geddes stated the Gallagher Report emphasizes the compression issue. He requested the Board review the policy related to salary schedules based on market data and peer institutions so appropriate updates can be made.

In response to a question from Regent Anderson, Mr. Fox stated the standard is to look at a broad spectrum of the market to include those institutions that are the same designation, those that are higher and even some that are lower to give a good reflection of the market.

Regent Moran believed this should be brought back on an ongoing basis since there is so much data to review.

President Johnson and Executive Vice President and Provost Diane Chase reported the universities are already hiring faculty at the R1 level.

Regent Stephens recognized that the goal of Carnegie R1 classification has been set and the Gallagher Report shows the baseline data, but the universities must go beyond the baseline data to get to that goal.

President Johnson stated both UNR and UNLV have been requested to present their on a(i)-2 (002 Tw [(t

7. Information Only – Faculty Compensation Study (Agenda Item 6) (Continued)

Regent Trachok asked that the Chancellor put together an overall budget including the salary component, so the Board has a complete picture and is able to make an informed decision.

Regent Hayes asked if the cost of living could be factored into the salary comparisons. Mr. Fox noted that slide 22 shows cost of living adjustments.

8. Approved – 2019S19S19S19or.pS19spS19Cpa-2 pviiore mpvitor3 /TTS19-2 (S-)-2 C-4 (ed2 (vi)-2 (ng)

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8. Approved – 2019-21 NSHE Institution Capital Construction and Planning Requests (Agenda Item 9) (Continued)

Education programs have increased enrollment projections as there is a nationwide demand for students to pursue careers in education. President Patterson believed NSC

8. Approved – 2019-21 NSHE Institution Capital Construction and Planning Requests (Agenda Item 9) (Continued)

Acting President Ghan presented WNC's capital planning project proposal: Marlette Hall Refurbishment ($105,000).

President Patterson presented NSC's capital planning project proposal: Water Tank ($8 million).

Regent Doubrava asked if the $8 million would cover the cost for the entire NSC Water Tank project. President Patterson answered that the $8 million is for the whole project.

Regent Doubrava asked if the $105,000 for WNC's capital planning project was to cover the entire project. Acting President Ghan clarified that the $105,000 is strictly for planning and the actual cost of the project is estimated at $750,000.

Executive Vice President and Provost Chase presented UNLV's capital planning project proposal: Science Academic-Research Building ($6 million: $3 million from the state; $3 million from UNLV).

President Hilgersom and President Averyt presented TMCC and DRI's capital planning project proposal: TMCC/DRI Science Solutions Center ($5 million).

President Helens presented GBC's capital planning project proposal: Welding L-2 (c Td ( )Tj EMC (

8. Approved – 2019-21 NSHE Institution Capital Construction and Planning Requests (Agenda Item 9~~)~~ (Continued)

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9. No Action Taken – 2019-21 Biennial Operating Budget (Agenda Item 8) (Continued)

President Johnson believed the institutions should be provided with the flexibility to work out their respective plans according to an amount that may be funded.

Provost Chase agreed that flexibility would be good, so the campus could determine what classes are necessary for students to graduate.

Acting President Martin stated CSN will benefit to have a focus on summer school funding and will help bolster efforts to move toward a stronger pathway model for students.

President Hilgersom stated TMCC supports at least partial summer funding for high demand areas. She also felt that summer funding could begin the second year of the biennium, so the institutions would have time to plan accordingly.

President Patterson was not sure that the performance pool was a good long-term solution when there is a broader faculty compensation issue that needs to be addressed.

Acting President Ghan stated WNC would like to offer more CTE workforce-related classes in the summer.

Provost Chase stated faculty compensation is a priority, but if the performance pool is a one-time enhancement it will not do what the institutions need it to do.

CFO Burton stated they will bring back a matrix, by institution, based on the discussions to include summer school at 50 percent and a pilot program for the performance pool.

Regent Stephens understood that having different versions required more work but felt that it would provide for a better decision-making process.

10. Information Only – New Business – Regent Hayes requested a presentation on what types of documents (e.g. audits and reports, etc.) should or should not be public information and an update on the inspector general position.

Regent Stephens requested a discussion related to litigation reports. She indicated the Board used to receive a litigation report and felt it was appropriate for the Board to determine what should be included. She also requested an update on the inspector general position.

Chairman Page recommended that a list of buy-outs and confidentiality agreements be included in the periodic updates sent to the Board.

Regent Moran requested that the Board be provided ethics training from the State E2 (e)resetatetatetateta

11. Information Only – Public Comment – None.

The meeting adjourned at 3:45 p.m.

Prepared by: Angela R. Palmer
Special Assistant and Coordinator
to the Board of Regents

Submitted for approval by: Dean J. Gould
Chief of Staff and Special Counsel
to the Board of Regents

Approved by the Board of Regents at its July 20, 2018, meeting.