

Mr. John Patrick Rice introduced Ms. Joan McGee who was filling in for CCSN Faculty Senate Chair Mr. Ruell Fiant.

Chancellor Nichols introduced Mr. Alvin Major, II, Director ofM

the registration form did not require parental information, but it was possible that the admissions form might request that information. She did not believe that it was a requirement if the student was at least 18 years old. Regent Sisolak stated that people assume the request is required information. He was concerned about the implication that the information was required and was unsure about the appropriateness of using parental names.

General Counsel Ray recommended that, if the motion passed, it be applied prospectively (not to any existing contracts). He was aware of one contract in existence that would be in violation of the new policy and the party to that contract expected the college to honor that contract.

Regent Howard asked whether System staff had worked with the ACLU. Chancellor Nichols replied that she had tried and the ACLU had indicated they wanted to submit a policy. Due to an illness in the family, the policy was not submitted. Chancellor Nichols related that she had subsequently received a letter from the ACLU. They want an "opt-in" only, so every student must indicate whether or not they want their information shared. The ACLU also wants a box on the registration form. Regent Howard stated that that was her position as well. She asked who created the policy. Chancellor Nichols replied that she and her staff had created the policy. Regent Howard asked why "opt-in" was not considered. Chancellor Nichols replied that, in listening to the campuses and presidents, it was her opinion that "opt-in" created so many difficulties and problems that are not necessary to protect students' rights. Those students who "opt-in" would have their names withheld from lists used for honor societies, graduation programs, and a variety of other purposes. She said it would create a variety of problems that were more difficult to cope with. Chancellor Nichols stated that this policy went beyond the FERPA requirements. Regent Howard asked whether the institutions could be required to seek Board approval prior to entering into a contract with a financial institution. Chancellor Nichols replied that the Board could make that determination. Regent Howard urged further consideration of the policy prior to Board action, adding that she felt that it should be an "opt-in" policy. Regent Alden agreed.

Dr. Paul Neil requested clarification for how the form would be completed. Chancellor Nichols stated that the institutions would have the form filled out, signed, and turned in.

Regent Howard asked about the differences. Chancellor Nichols explained that the emphasis was on making sure students understand their ability to choose and the policy also addressed the concern that students were not adequately notified. She felt the policy provided more confidence that the students would see the notification and pay attention to it.

Regent Alden agreed with Regent Howard, adding that he felt the matter should be tabled to the next meeting. He believed there were credit card vultures present and the policy was still not clear.

Regent Kirkpatrick felt the policy was an improvement, but did not object to waiting for a Board decision.

Regent Seastrand agreed the proposed policy was an improvement and suggested the use of two check boxes: one to allow students to "opt-out" of all informational opportunities and one to allow students to "opt-out" of sales to third parties.

Regent Hill proposed a friendly amendment to incorporate Regent Seastrand's suggestion for two check boxes: 1) to "opt-out" of all disclosures and 2) to "opt-out" of commercial disclosures only. Regents Rosenberg and Kirkpatrick agreed.

Mr. Kendall Stagg with the ACLU expressed his appreciation for allowing the ACLU's input. He stated that the ACLU strongly disagreed with the Board's proposed policy. He felt that the disclosure statement was not a truly informed consent. He felt that the disclosure methods used were repugnant of FERPA. He felt the universities should be held to a higher standard and that UCCSN's actions should be based upon principle and not technicalities. He said that just moving the disclosure statement within the same publication would not solve the problem and would not establish informed consent. He felt the burden to "opt-out" should not be placed upon the students and supported an "opt-in" policy instead. He felt that registration materials should provide a checkoff system, with an explanation of what directory information is, and providing students the opportunity to affirm that they do not object to UCCSN using their directory information for other commercial or non-commercial purposes. He felt the same privacy rights should be extended to faculty, staff, alumni, parents, and donors. He said that the Board should consider the advice of special stakeholders in support of the current policy, and those stakeholders were from organizations that benefit from the sale of directory information. He felt the Board should be held to a higher standard and should be held to a higher standard.

Ms. Rana Koran reminded the Board that she had spoken on this issue at the last meeting. She related that students had several concerns about the issue, but were in full support of the policy. She explained that concern was expressed about the information, but more concern was expressed about going with an "opt-in" policy. She related that students don't know what they don't get. She resented the implication that she was exploiting her constituents. The general consensus among the UNLV graduate student body was that they want the opportunity for health insurance and to have their name in the graduation program. She said that students could mistakenly "opt-out" and deprive themselves of those benefits. She related that she had researched the procedures for release of student directory information, adding that the information was closely guarded and she could not imagine a naNL^{el}

Choroszy, Assistant Vice President, Enrollment Services-UNR, said that, in addition to the 2nd box, the Board would also need to make a determination for what is considered commercial.

President Harter stated that students failing to "opt-in" would be denied access to external scholarship companies, national and international honor societies, Who's Who organizations, health insurance companies, fee payment plan companies (fee deferrals), and graduation lists. She observed that an "opt-in" policy would deprive students of many positive opportunities, and she supported the "opt-out" policy.

Regent Derby observed that it was agreed to use an "opt-out" approach. She asked about using one or two check boxes. Dr. Fain replied that the problem was that once the box was checked there was no way for the system to process the information automatically.

Regent Seastrand stated that it was possible to use two checkboxes. He observed that the Board should determine policy and not how the policy was implemented. Vice Chancellor for Technology Mr. Van Weddle stated that it would take some time to create "opt-in" or "opt-out" options for the Student Information System, adding that it would also take several months to implement. He asked about the Board's priority for this item. Regent Seastrand said that it was not required by a certain time. Staff could work to make it possible as quickly as they are able. Mr. Weddle related that it would not be complete by the next Board meeting. His staff would need to discuss this with all of the campuses and investigate how to make it work.

Regent Rosenberg noted that the Board was still facing the question of who decides what is commercial and what is non-commercial. Dr. Choroszy stated that supplemental health insurance and other legitimate avenues could be prevented by use of the checkbox. She felt it would not serve the best interests of the students. She stated that the institutions were moving further away from providing services to students by adding administrative detail. She agreed it was difficult to define. She noted there could be commercial endeavors that were in the students' best interest and institutions could provide a disservice by not making those things available.

Regent Rosenberg stated that it was a matter of personal responsibility and what the System was trying to teach the students.

Regent Kirkpatrick was concerned about preventing names from being printed in the graduation program. He felt the policy was adequate, even though the ACLU was not happy with it.

Regent Seastrand stated that it would be easy to identify the items students would forfeit if they checked a particular box.

Regent Derby supported notifying students about supplemental health insurance. She felt that some commercial ventures could be for a student's advantage. She felt the original policy language was broad enough to accomplish the task.

The following link looks at student directory language within the Handbook redbook revision page number 14. Regents Hill, Sisolak, Fain, and Rosenberg were in favor of the amendment.

Regent Rosenberg proposed approval of the Handbook revision concerning student directory information. Regent Kirkpatrick seconded. Regent Hill proposed a friendly amendment to incorporate Regent Seastrand's suggestion for two check boxes: 1) to "opt-out" of all disclosures and 2) to "opt-out" of commercial disclosures only. Regents Rosenberg and Kirkpatrick agreed.

Upon a roll call vote the motion as amended failed. Regents Hill, Hobbs, Seastrand and Sisolak voted yes. Regents Alden, Derby, Dondora, Callaghan, Howard, Kirkpatrick, and Rosenberg voted no.

Regent Kirkpatrick as*.

voted unanimously to recommend Dr. Paul Killpatrick to the full Board at the March meeting, pending successful further reference checks.

Regent Gallagher moved acceptance of the report. Regent Alden seconded.

Chair Gallagher then requested approval of the appointment of Dr. Paul Killpatrick as the new President of Great Basin College with the following terms and conditions:

- \$120,000 annual salary.
- 3-year contract, beginning June 3, 2002.
- All of the prerequisites normally provided to community college presidents.

Regent Seastrand entered the meeting.

Regent Gallagher moved approval the Committee recommendations, the appointment of Dr. Paul Killpatrick as GBC President, and acceptance of the report. Regent Alden seconded. Motion carried. Regent Howard was absent.

Regent Gallagher 200

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NSC

: related to NSCH or

the System was on schedule with the expectations of performance for the contract work as well as for a September 3rd opening.

Regent Hobbs asked whether the Board expected the Foundation to raise a specific amount of money. She stated that she was aware that some state money was available after July 1 (\$3.8 million). She asked whether the Board was expecting the Foundation to raise even more money. Mr. Martin replied that he was not aware of any expectations placed upon the Foundation to raise money. He perceived it as a crisis situation to which the Foundation responded. He said that the Foundation had long-term expectations for raising \$10 million for a building or \$50 million for a campus. He observed that it was difficult to raise money in an environment where the media constantly criticized the president and questioned the need for the institution. He said that it had been a very difficult period, adding that it was difficult to keep moving forward. He blamed the news media for its criticism of the college. He feared delaying the project, adding that he believed in the Nevada state college system. He observed that UNLV and UNR were heading more towards research, which left a gap for students to have a 4-year opportunity. He noted that many good things were happening (model institution) that were not reported.

Chair Dondero cautioned that the conversation had strayed from the scope of the agenda item. She expressed her appreciation to Mr. Martin and the NSCH staff for their efforts in the development of the project.

Regent Howard asked Mr. Martin about a fundraising plan for NSCH, recalling his statement about no expectations for raising money by the end of the fiscal year. She asked whether he had a plan for raising money by the end of the fiscal year. She requested the information several weeks prior. Mr. Martin replied that he did. He said that he was unaware of her request.

Chair Dondero again cautioned that the conversation was straying from the scope of the agenda item.

Regent Howard asked Mr. Martin about a fundraising plan for NSCH, recalling his statement about no expectations for raising money by the end of the fiscal year. She asked whether he had a plan for raising money by the end of the fiscal year. She requested the information several weeks prior. Mr. Martin replied that he did. He said that he was unaware of her request.

not the essence of what was going on at the college. Chair Dondero asked Mr. Martin to convey the Board's appreciation to the Foundation members for the funds raised.

Dr. Neill stated that Dr. Moore was not acting independently with development of the academic programs. He reported that UNR was the sponsoring institution for NSCH and that Dr. Patricia Miltenberger had been working closely with Dr. Moore to define the academic programs and put them in place.

Mr. Martin said that the Foundation was a good board and they would see the project through to completion.

Regent Gallagher moved approval of having General Counsel review the contracts, work with the people with whom the contracts were made, and correct any discrepancies. Regent Rosenberg seconded.

Regent Sisolak asked whether IRS guidelines would be followed. Regent Gallagher replied that they would be. Regent Sisolak asked how completed contracts would be corrected. General Counsel Ray explained that he had asked the Foundation to report any income paid on a 1099 form to the IRS. He stated that the employer could be responsible for the tax. He said that current contracts could be revised or restructured. Regent Sisolak stated that the IRS could challenge the employer/employee relationship even after the contract was completed. General Counsel Ray stated that if the recipient reported income and taxes were paid there would be no problem. If the recipient did not report the money, the IRS could make the employer responsible for taxes.

Regent Kirkpatrick asked about the

UNLV - (Ref. C-3e {* Indicates tenure with promotion} on file in the Board office.)

Annette Appell* Seyhmus Baloglu* Pam Campbell

Ramona Denby* Michaelyn Haslam* Stefan N. Karlsson*

Anthony LaBounty* Susan Meacham* Gillian Naylor*

Mark Odell* Michell

Chancellor Nichols introduced Ms. Carolyn Collins and Ms. Mitzi Ware with CCSN, and Mr. John Patrick Rice with GBC, who were members of the Task Force.

Ms. Collins reported that when Chancellor Nichols formed the Task Force they were charged with finishing unfinished business. The process began with the 1999 PricewaterhouseCoopers study on the community college salary structure. PricewaterhouseCoopers returned with a recommendation for increasing the schedule by 9% and proposals were implemented before the last legislative session. She indicated that the community colleges were very complex four very different institutions serving different areas with one salary schedule. The increase could not be immediately implemented because of other System priorities and the shortage of funding. She praised the Chancellor's commitment for offering competitive salaries to keep good people in the System. She reported the Task Force was bringing forward a two-prong proposal. She said that her participation on this project had been very rewarding utilizing shared governance.

Ms. Ware stated there was a real commitment to reach concession. Five new columns were added to the current salary schedule to represent "professor columns" for those receiving tenure and promotion. Each movement represents a 2.5% increase. The second part of the proposal allows initial placement flexibility. Currently the System is having a hard time hiring instructors within the limitations of the current schedule. Variance committees will be in place to review the hiring recommendations and the institution president would also need to approve the hire. She indicated that the change provided greater flexibility for hiring in competitive areas. She related that a review of merit and initial placement was also necessary.

Regent Rosenberg moved approval of the Task Force recommendations and acceptance of the report. Regent Kirkpatrick seconded.

Regent Kirkpatrick asked how much flexibility was offered. Ms. Ware replied that the Task Force did not place limits on that area, adding that the market would dictate that range. She said that it would have to be done prior to any announcement and the department would need to make the request. Regent Kirkpatrick asked whether the Task Force had considered the effect this practice would have on the morale of System faculty. Ms. Collins replied that the Task Force worked very hard on this issue knowing that faculty would raise equity issues. The Task Force discovered that existing faculty were willing to allow new faculty to be hired in a more competitive manner in order to improve the quality of the faculty, if there was a commitment to enhancing and rewarding meritorious service for benchmarks reached within a career. The faculty insisted there be no backroom deals. The salary must be approved before the position is announced. She related that it was also subject to the external standards of market value and could not be arbitrarily decided. The Chancellor's office will maintain standards and standard forms will be submitted using benchmark data. The faculty also wanted the process implemented equitably. The institutions have variance committees that make recommendations to the president. Ms. Ware stated that the additional columns allow a place for current faculty to promote to, so they would not resent new hires. Regent Kirkpatrick stated that the Task Force had done a good job on a tough issue.

Regent Howard asked how it was decided who receives 2.5% merit. Chancellor Nichols replied that the community college salary schedule was based upon a merit increase. Each faculty member receiving a particular merit rating would qualify for 2.5% merit each year as they moved up the salary schedule. The new column provides a 2.5% increase at the time of promotion from instructor to professor and at the time that tenure is granted. She related that part of the recommendation was a recommendation that each community college president form a task force to seriously review how evaluations are conducted, how merit decisions are made, and how promotion decisions are made. She noted that the community college presidents had agreed to do so, adding that the faculty have supported this method. Regent Howard asked whether the presidents determined merit. Chancellor Nichols replied that they did not, rather it was determined by the faculty member's evaluation and their rating on the evaluation, which began at the department level.

President Remington advised the Board that this was unfinished business to fulfill a 1999 promise when it was determined that this group was underpaid by 9%. He felt it was a reasonable request and commended the System office and the other presidents. He recommended Board approval.

Motion carried. Regent Alden was absent.

- The Board approved the addendum to the settlement agreement regarding the
UNR Fire Science Academy.

President Lilley thanked General Counsel Tom Ray and Assistant General Counsels Mark Ghan and Mary Dugan, adding that they had worked very hard to represent the university through this negotiation process.

General Counsel Ray reported that a special Board meeting had been held to resolve the differences in the completion of the construction of the Fire Science Academy. At that time, the parties were unable to reach an agreement. Since that meeting, all parties have worked long and hard to arrive at a fair compromise of those issues. Pursuant to the statute, litigation related meetings were held where Regents were briefed on the terms of the proposal. He and President Lilley recommended approval of the addendum to the settlement agreement.

Regent Rosenberg moved approval of the addendum to the Fire Science Academy settlement agreement. Regent Sisolak seconded. Motion carried. Regent Alden was absent.

- Each institution to work toward providing a designated space in which part-time faculty can meet privately with students, including access to keys as necessary for after-hours meetings.
- Invite part-time faculty to department meetings.
- Academic departments regularly inform part-time faculty about departmental decisions that impact the curriculum, course materials, and teaching methods.
- Professional development programs. Each institution urged to implement programs for continuous improvement of all faculty.
- Offer teaching excellence seminars for all faculty.
- Mandatory teaching evaluations of all faculty each semester.
- Each institution to offer part-time faculty the opportunity for peer evaluation if requested.
- Encourage each institution to provide opportunities for mentoring of part-time faculty by members of the full-time faculty.
- UCCSN Personnel/Benefits to examine available options for offering self-paid health and life insurance packages to part-time faculty.
- Each campus to form a committee to enact principles and recommendations contained in this report and report annually to the Board's Academic, Research, & Student Affairs Committee.

Regent Rosenberg moved approval of the recommendations and acceptance of the report. Regent Kirkpatrick seconded.

Regent Derby stated that she was very excited about the recommendations, adding that the System had not properly integrated part-time faculty for many years. She praised the recommendation for tying thórm

Regent Gallagher thanked Chancellor Nichols and the Task Force for addressing this issue in a professional manner. She was particularly impressed that the faculties agreed to do M

- "Cost of education" difficult to define consistently.
- Under old formula, university fees falling behind western average.
- State expects students to pay fair share.

Recommendation Based on Examination of:

- WICHE fees and tuition.
- National trends and data.
- Goals of new UCCSN Master Plan.
- Student share of cost of education.

A comparison of WICHE states revealed that Nevada ranks 10th in public, two-year institutions 15th in public four-year institutions and 16th in graduate tuition and fees.

Chancellor Nichols reported that, nationally, tuition at public four-year institutions increased by an average of 7.7% (to \$3,754) in FY02, the highest rate of increase since 1993. Nevada's tuition in FY02 was \$2,295 (3.4% over the previous year).

Master Plan Goals:

- RAND Report said that the state and students must pay more for the cost of higher education to attain goals and higher tuition must be accompanied by higher financial aid.

Sharing the Cost of Education:

- Currently, UCCSN students pay approximately 20% of the cost of their education through tuition and fees.
- Nationally, students pay 21% to 31% of the cost of education, depending upon the type of institution attended.

The proposed new formula will provide for regular, predictable increases, align UCCSN tuition and fees with other western states, establish internal consistency among all UCCSN tuition and fee rates, and provide a long-range plan to meet future targets.

New Formula - Part One:

Registration fees to be set so that charge for full-time attendance (30 credits for undergraduates and 16 credits for graduates per year) is equivalent to WICHE median for two-year and four-year colleges, respectively and uses a 3-year lag in data.

New Formula - Part Two:

Registration fees for upper-division courses at two-year colleges and state colleges to be set at the mid-point between the lower division fees for community colleges and the undergraduate fees at the universities. No comparable data available for state colleges.

Because full application of the proposed formula would result in a significant increase for university students, the committee recommended a phase-in period beginning in academiátions be ginded a f lác tct thec tdeposemula will prcre at plicm te Wa

discouragement for going to college. Colleges and universities are encouraged to get more information to the public about the actual cost and the availability of financial aid. The RAND Report argued strongly that price was not the key factor for students, rather the convenience, availability, and quality of product. States with the highest tuition also have the highest college going rate and vice versa. She stated that competitive organizations were doing very well in Nevada with higher tuition than the UCCSN's. She acknowledged that the UCCSN did have a responsibility to be affordable for all Nevada students.

Regent Hobbs asked whether an analysis had been performed regarding the impact of increased fees and use of the Millennium Scholarship. She observed that when fees were increased more of the scholarship would be used by fewer students. Chancellor Nichols replied that the amount of the scholarship was pre-set regardless of UCCSN tuition and fees. Single division students receive \$40/credit at the community colleges, which meant that next year the Millennium Scholarship would cover 88% of their fees. For GBC upper division courses and NSCH, students receive \$60/credit or 97%. University undergraduates receive \$80/credit (more than the recommended \$79/credit next year). She agreed that students would need to pay more of the difference in the following biennium if the scholarship amounts remained the same. The current difference at the community colleges is \$5.50, the new difference would be \$2.00 more. Currently at the universities, the Millennium Scholarship pays more than the cost. Under the new policy the difference would be \$5.50. She explained that increased fees would not impact how long the Millennium Scholarship money would last.

Regent Sisolak expressed concern that the \$60 per credit would be used to subsidize someone else's tuition. He observed that the \$60 per credit would be used to subsidize someone else's tuition. He observed that the \$60 per credit would be used to subsidize someone else's tuition.

Regent Hill asked what the legislature would find reasonable. Vice Chancellor Miles replied that since the reapportionment/redistricting he no longer had that insight. He stated that 20% of the System's state-funded budget came from student fees. Another 3-4% comes from other revenue sources internal to the System (indirect cost recovery, interest income). The State accounts for approximately 75% of the System's budget. He said that he would be non-averse if those percentages were reduced, adding that the GARD Report had suggested that both the students' and the state's share should increase in order to increase access.

Regent Gallagher observed that the legislature would know that Nevada is at the bottom of the WICHE states for tuition. She also recalled the time when the legislature decided what tuition should be and took that amount away from the General Fund budget. She observed that it could happen again when they were looking for ways to balance the budget. She felt the Board should be reasonable, adding that she too wanted to keep tuition and fees down.

President Lilley suggested showing what the states retain from what the students pay. He observed that a policy change was necessary if the students were going to pay more of their educational costs, then what they pay should remain with the institution rather than returned to the state.

President Harter agreed that graduate fees are very low. She thought that UNLV's graduate students also reluctantly agreed. She cautioned that accelerating those fees resulted in an immediate cost because universities pay graduate assistants' tuition.

Regent Howard expressed concern about Regent Hill's remarks about taxing one group of students in order to fund the education of another. She did not believe that was the case. She felt there was still misunderstanding about students with need. She noted that Nevada's universities and colleges were ranked very low in minority recruitment and retention. She urged Regents Hill and Sisolak to attend her community forums to hear how the increase impacts minority students. She requested suggestions from Regent Hill. Chair Dondero called for the next Regent in line to speak. Regent Howard asked Regent Hill to respond under New Business.

Regent Derby recalled that she supported the decision by the Tuition and Fee Committee for 50% of the increase to be used for need-based scholarships. She observed that Nevada ranked very low in terms of need-based grants. She said that universal education was important and served everyone, adding that it was critical for people to be able to think critically. She noted a widening gap between rich and poor, adding that allowing only the affluent to receive a higher education would disserve everyone. She felt that justified having some of the fees collected going to help those students who could not afford it. She felt it was part of being a democracy and would provide critical thinking for all. Another important principle is that UCCSN wants diversity in its colleges and universities so the population reflected that of the real world and that we reflect our communities. She said that Nevada ranking at the low end of states providing need-based aid was not a good thing.

Ms. Rana Koran, GSA student body president-UNLV, stated that she served as a member of the Tuition and Fees Committee, adding that the proposal had the support of the graduate students. She related that, as a student, she did not want a fee increase, adding that she understood the reality of the situation. She thanked Chancellor Nichols for listening to the students on the committee, adding that Dr. Nichols really listened to the hardships that would be created. She said that the committee agreed the proposal was reasonable. When the graduate student council heard about the process (42 members) all recognized the inevitability of the proposal, especially with graduate studies. She said that students were well aware that competitor schools would charge significantly more. She said the legislature must realize that students were taking responsibility for paying for their education and would not be justified in decreasing state funding or raising fees themselves.

Ms. Leslie Carlen, student body president-WNCC, stated that she supported the proposal, adding that other proposals had been considered. She acknowledged that it would be most difficult for the students, but they did support the proposal.

Regent Rick Costrack, vice president, stated that the proposal would cost \$272 more per year at the community colleges and \$390 more per year for graduate students. He added that similar increases were expected in the following years. He felt that minority students would be hurt the most and more impacted by fee increases.

Regent Sisolak stated that considering affluent and/or non-affluent people ignored the middle ground those students who pay for their own education. He was not arguing against need-based scholarships, but felt a more appropriate source of funding could be found. He asked how many graduate/non-affluent students.

Mrs. Sandi Cardinal, Director of Internal Audit, reported that CCSN and WNCC had not proposed any fee increases. She related that summer school tuition fee increases would be an additional \$3 above the Spring and Fall fees per Board policy. She indicated that the individual institutions also brought dormitory, medical plans, and special course fees forward.

Regent Kirkpatrick moved approval of the student and special fees. Regent Gallagher seconded. Upon a roll call vote the motion carried. Regents Derby, Dondero, Gallagher, Hill, Hobbs, Kirkpatrick, Rosenberg, Seastrand, and Sisolak voted yes. Regent Howard voted no. Regent Alden was absent.

- A revised draft of the new UCCSN Master Plan was presented. Final action on the plan will be taken at the Board's April meeting.

Chancellor Nichols introduced Dr. David Longanecker, the head of WICHE. Dr. Longanecker requested Board feedback regarding the draft Plan. He related that, from discussions held throughout the State, they had learned this was a good plan for Nevada that reflected citizen comments. He reported that the Plan incorporated the concept of shared responsibility between the students (consumers), the Board, and the legislature in order to achieve future objectives. He emphasized that it focused on the future, adding that Nevada faces a unique set of challenges. He observed that Nevada has the fastest percentage growth of any state in the west and an increasingly diverse population. New students are coming from communities that were not well served in the past. He noted a 40% increase in the Hispanic/Latino population, adding that one-third of Nevada's residents would be non-white by 2010. He praised Nevada for attempting to diversify the economy so it was not reliant upon one source. He said it would be a challenge to provide an educated workforce for Nevada, adding that UCCSN would realize a rapid increase in demand (students). He encouraged UCCSN to increase enrollments so Nevada did not lag behind other western institutions. Dr. Longanecker affirmed the goal to become more effective in persistence, adding that it was a large and unique challenge. He reported that the Plan addressed mission differentiation, adding that Nevada could not afford unbridled competition between System institutions. He recommended a collaborative rather than a competitive model. Dr. Longanecker then reviewed the six goals mentioned in the Plan. He noted the importance of economic development and the strength of Nevada's economy, holding institutions accountable for reaching their goals, and the need for UCCSN to work with the elementary and high school education system. He observed it would be quite a challenge for a state with such limited resources.

Vice Chancellor Miles reviewed enrollment projections under different scenarios. Option 1 incorporated three principles consistent with the ultimate objectives of the plan:

- Increased College Participation - increased productivity as measured by annual average FTE (AAFTE) generated per headcount.
- Increased college participation rate as seen in the increasing headcount per 1,000 population.
- The year-to-year growth in headcount exceeds the year-to-year growth in high school graduates. Expect a 77% increase in enrollments between 2001-2010.

Costs would increase under this scenario. The 2001 total state-supported budget was \$459.6 million (State share-\$345.8 Student/Other share-\$113.8). The projected 2011 total state-supported budget is \$1,025.9 million (State share-\$769.4 Student/Other share-\$256.5). This projection was based on dividing the current budget into two sections (one sensitive to enrollment growth). The projection was derived using the growth indicator and a 3% inflation indicator. Mr. Miles related that 85% of the budget was sensitive to enrollment growth. Administrative agencies (15%) were only increased by the inflation factor. He reported that enrollment growth from 1991-2001 was approximately 57%. Staff is predicting an accelerated growth pattern of 77% over the next 10 years. The budget was increased by 100% in the past ten years and staff is expecting a 122% budget increase over the next 10 years. Historically the state appropriation has increased at the rate of enrollment growth plus 4%.

Option 2 is based on the assumption that the UCCSN will continue to enroll 42 students per 1,000 population. The AAFTE was estimated based on the headcount and a constant headcount to AAFTE ratio of .5509 (2001-2002 ratio). This approach allows enrollment to grow as the population grows, but does not increase the participation rate or the AAFTE productivity per headcount. At this growth rate, UCCSN would experience a 26% increase in student AAFTE by the tenth year, increasing costs by about \$994 million. This would be partially offset by increased student fees resulting from the enrollment increase, leaving the balance to come from increased student fee rates, the state, and increases in productivity.

Option 3 assumes no enrollment growth (enrollment caps) and support to cover increases due to inflation and other fixed costs. Enrollments would be capped at the 2001-2002 levels. This option results in a very sharp decline in college participation and college continuation rates. By 2010, Option 3 would result in approximately 35,500 fewer (-42%) AAFTE than Option 1, and 10,800 fewer (-18%) than Option 2. Additionally, Option 3 would serve nearly 52,000 fewer students (-37%) than Option 1, and 19,600 fewer students (-18%) than Option 2.

Chancellor Nichols stated that the staff was seeking Board input regarding any changes to the Plan. Final approval will be sought at the April Board meeting.

Regent Gallagher acknowledged that it had been a long and worthwhile process. She said that it was difficult to make projections not knowing what state growth would be in the future. She said that staff had done a good job and she appreciated their work. She said that the public sessions were well received.

Regent Derby echoed Regent Gallagher's remarks. She said that it would be very helpful for the Board to have the Plan. She was pleased with the development of goals offering methods to measure progress. She applauded the Chancellor's efforts.

Regent Seastrand felt it was a good framework from which the Board could work. He asked which items would be worked upon first. Chancellor Nichols replied that staff would like to complete the process and framework by the end of this year. The Academic Affairs Council and Academic, Research, & Student Affairs (ARSA) Committee has been charged with the work to flesh out program approval and the mission differentiation process. She hoped to use the document as a master plan for making decisions regarding opening new campuses and branch campuses. Regent Seastrand asked who would receive copies of the document once it was completed. Chancellor Nichols replied that it would be sent to the legislature, policy makers, and community leaders. Draft versions have been distributed to those who participated in the forums. It would be used to represent what higher education is about. Regent Seastrand felt it was important to look at distribution and get the message out, adding that the entire state must agree with it. He felt it represented what Nevada wants to do for higher education and showed great potential.

Regent Gallagher asked how mission differentiation would be addressed. Chancellor Nichols replied that it would involve the process of developing criteria. There is discussion of a technical institute and community colleges offering selected baccalaureate degrees. Staff still needs to develop the criteria to bring the proposals forward. She explained that the Academic Affairs Council would work on those issues. Regent Gallagher asked whether work would be done to differentiate the missions of existing institutions. Chancellor Nichols replied that, once the Master Plan was completed, there would be implications for all of the institutions. Each institution will clarify their mission and report back to the Board.

The meeting recessed at 12:00 and reconvened at 12:20 p.m. with all members present except Regent Alden.

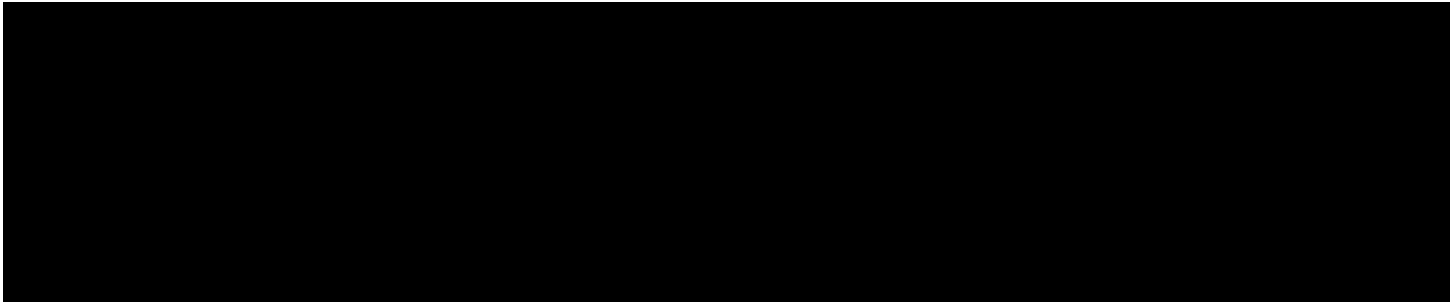
- Chair Jill Derby reported the Academic, Research & Student Affairs Committee met March 6, 2002. Dr. Barbara Sanders, TMCC Executive Dean of Academic Affairs, Dr. John Frederick, UNR Executive Vice President and Provost, and Ms. Betty Elliott, GBC Vice President of Academic Affairs, reported on developmental education programs at their campuses. The remaining campuses will report on their developmental programs at the April ARSA meeting. Chair Derby requested that System staff analyze data related to developmental programs regarding the percentage of high school students taking developmental courses, coordination between UCCSN and Nevada high schools, and student success for those enrolled in developmental education. A presentation was made previewing the degrees and curriculum at Nevada State College. Lois Becker, Interim Dean of Arts and Science, reported that the College is a teaching college with a philosophy to seek students who traditionally do not go to college (first-generation, minority, and older students). The College will offer ten bachelor degrees and proposed degree programs will articulate very well with CCSN. Some curriculum proposals will be presented for Board approval at the April meeting. Dr. Marcia Bandera reported that the proposal for teacher preparation curriculum for Nevada State College has been submitted to the Department of Education and was based upon the format previously approved by the Board. It is anticipated that the curriculum will be submitted for Board approval in April. Dr. Georgeanne Rice described the teacher education programs. All of the program standards are based upon NCATE standards. Connie Carpenter, Director of Nursing, reported that a formal proposal for nursing programs would be submitted in April. Mr. Bob Johns provided information to answer a question regarding the recruitment of minority students. Mr. Johns will present a more detailed recruitment plan at the April meeting. Regent Derby requested Board action on the following Committee recommendations:

- Resumption of New Program Proposals - The Committee approved a recommendation to re-institute review of new program proposals. (Ref. ARSA-3 on file in the Board office.)
- WNCC Mission and Goals - The Committee approved the mission and goals for Western Nevada Community College. (Ref. ARSA-4 on file in the Board office.)
- 2002 Board of Regents' Awards - The Committee approved recommendations for the following Regents' awards: (Ref. ARSA-5 on file in the Board office.)
 - Nevada Regents' Researcher Award
Dr. James Neil Brune, UNR
 - Nevada Regents' Creative Activity Award
Mr. Stefan Karlsson, UNLV
 - Nevada Regents' Teaching Award-Community College Faculty
Mr. Eric Bateman, GBC
 - Nevada Regents' Teaching Award-University & DRI Faculty
Dr. Gary Hausladen, UNR
 - Nevada Regents' Academic Advisor Award
Ms. Sherri Theriault, UNLV-Undergraduate
Ms. Roberta B. Williams, UNLV-Graduate
Ms. Debra Holman, UNR-Undergraduate
Dr. Joseph Cline, UNR-Graduate

Mr. William Erik Proctor, CCSN
Regent Center President Staff EMCC
Ms. Barbara Twitchell
Ms. Ruth McKnight
Ms. Darlene Simkins
Ms. Lee Geldmacher
Mr. Michael Sady, WNCC
Dr. Mike McFarlane, GBC

Regent Derby moved approval of the Committee recommendations and acceptance of the report. Regent Rosenberg seconded. Motion carried. Regent Alden was absent.

Chair Steve Sisolak reported the Audit Committee met March 6, 2002 and received the following reports: The Director of Internal Audit reported that the institution bank reconciliations were up-to-date. Mr. Tom Judy, Associate Vice President for Business & Finance, UNR, reported on the status of the University of Nevada School of Medicine Practice Plan. He distributed a Consolidated Balance Sheet and Consolidated Profit/Loss Statement as of December 31, 2001. The Report of \$250,000 was reported for the Society (Society) ite hear aue t,



the System. The review covered System-wide budget issues such as enrollment growth, formula funding, estate tax replacement, equipment, faculty COLA, nursing capacity, part-time faculty salaries, outreach and economic development/workforce initiatives. Potential capital improvement requests (by campus) were reviewed, and each campus president provided an early indication of important budget issues at their campus. Regent Kirkpatrick requested Board action on the following Committee recommendations:

- IFC Approval for Additional Student & Testing Fee Collection FY 01-02 - The Committee approved UCCSN's request to seek approval from the Legislature's IFC for student fee and testing fee revenues that exceed the level budgeted. UNR, UNLV, Boyd School of Law, CCSN, WNCC, and the State Health Lab all expect fee revenue to exceed budgeted levels and sought approval to expend those excess fees. (Ref. FP-5 on file in the Board office.)
- IFC Funding Requests for UCCSN Energy (Utilities) Needs FY 01-02 - The Committee approved UCCSN's request to seek supplementary funds for excess utility costs this year from the IFC. The 2001 Legislature appropriated \$17 million to a special fund to meet budget shortfalls in utility expenses. UCCSN's request for this year is about \$3.9 million. (Ref. FP-6 on file in the Board office.)
- Handbook Revision - The Committee approved Handbook changes (Title IV, Chapter 17, Section 7) to standardize student fee deferral policy at the various campuses. Each campus would retain discretion over the types of fees that qualify for deferral and the payment schedule in order to accommodate their students. (Ref. FP-7 on file in the Board office.)

Regent Kirkpatrick moved approval of the Committee recommendations and acceptance of the report. Regent Gallagher seconded. Motion carried. Regent Alden was absent.

- Regent Steve Sisolak reported the Investment Committee met February 14, 2002. Mr. Lindsay Van Voorhis, Cambridge Associates, reviewed the asset allocation and performance for the UCCSN's pooled endowment and pooled operating funds for the quarter ended December 31, 2001. Endowment investments returned 5.8% for the quarter (compared to the 7.8% benchmark) and -3.5% for the calendar year (compared to the -4.5% benchmark). The total return for the pooled operating funds was 2.3% for the quarter (compared to the 2.9% benchmark) and 3.1% for the calendar year (compared to the 1.4% benchmark). The System's investments were impacted by Enron. The endowment lost \$159,000 (0.08%) and the operating fund lost \$152,000 (0.08%). The Committee briefly discussed the impact of the estate tax on the operating fund and the endowment fund. The System has spent all but \$5 million of the estate tax monies in the operating pool and will soon begin drawing down on the endowment. At the next Investment Committee meeting, this issue will be discussed further. The status of the operating pool reserve was discussed. The reserve as of February 13, 2002 is (\$9.8) million. Proposed changes to the operating pool payout rate effective July 1, 2002 will be examined at the next Investment Committee meeting. The bond allocation in the operating pool was reviewed briefly and the Committee did not make any changes to this allocation.

Regent Sisolak moved approval of the Committee recommendations and acceptance of the report. Regent Rosenberg seconded. Motion carried. Regent Alden was absent.

- Chair Dorothy Gallagher reported the Committee on Estate Tax met February 28, 2002. Vice Chancellor for Finance and Administration Dan Miles reviewed two projections of the estate tax fund. If spending continues at \$38 million/year, the fund will disappear in fiscal 2006. If only income and tax estate receipts are spent, the fund should grow each year from market appreciation. The Committee discussed the current uses of the estate tax fund. The fund is used for EPSCoR matching funds, research, financial aid, information technology, medical and dental programs, salary adjustments, statewide programs, federal mandates, and the hold harmless provision. There are 191 positions (excluding the hold harmless provision) funded with estate tax funds. The Committee discussed the critical need for these programs. Regent Gallagher requested Board action on the following Committee recommendations:

- Committee Recommendations for the 2003-2005 Biennium - The Committee recommended endowing the balance of the estate tax fund at the end of this biennium, and thereafter spending at the statutory level of \$2.5 million/year.

Regent Gallagher moved approval of the Committee recommendations and acceptance of the report. Regent Rosenberg seconded.

Regent Gallagher stated that everyone should be aware how serious it was that the estate tax was being phased out. The statute mandates the UCCSN to maintain a balance that will earn \$2.5 million/year. She related that she was unsure whether the legislature would allow the UCCSN to endow the balance and only spend \$2.5 million/year. She felt it was the best recommendation at this time.

Motion carried. Regent Alden was absent.

- Chair Thalia Dondero reported the CCSN Organizational Advisory Committee met March 4, 2002. Consultant Dr. James Samels of The Education Alliance provided the Committee with an update on the activities conducted by his firm to complete an organizational study of CCSN. Dr. Samels and his associates conducted individual interviews and focus groups with CCSN administrators, faculty, staff, and with members of

the business community on January 13, 14, and 15. They also conducted one focus group with students on March 4, and the Committee suggested that additional opportunities for student input be provided. The consultant is also gathering relevant national data on large community colleges as well as campus data from CCSN. All of the qualitative and quantitative data will be analyzed and summarized in a preliminary report that Dr. Samels will provide to Chancellor Nichols and President Remington for review and comment prior to the April 10 due date for the final report. The final report will be discussed by the Committee at a future meeting. The Committee also heard a presentation by CCSN administrators with information about student enrollments, course-taking trends, and needs for additional space to meet enrollment demands. The Committee discussed current methods of class scheduling to maximize space utilization as well as Distance Education opportunities.

Regent Dondero moved acceptance of the report. Regent Gallagher seconded.

Chair Dondero stated that it had been a really interesting report. She observed there was not enough class space for students at CCSN. President Remington stated that, once the popular classes were filled, CCSN kept track of the number of requests for those courses. Requests tallied over 3,200 additional FTE. Regent Derby asked to see the full report at the next meeting. Chair Dondero moved to approve a copy of the report. Boarding Chair Dondero moved to approve the community college's need due to the trend of increasing enrollment.

~~MAINTAINING THE STATUS QUO OF THE BOARD OF REGENTS AND THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CALIFORNIA~~

- The Board approved a request from President Richard Moore for voluntary reassignment per the At-Termination, and

Regent Dondero moved approval of the appointment. Regent Hill seconded.

Regent Hill stated that, during his interface with Dr. Chairsell for the Campus Environment Committee, he found her to be conscientious, hardworking and extremely competent. He acknowledged that she was taking on a tough assignment. He felt it was important to get someone with System knowledge in the position.

Regent Howard asked about the salary and history, adding that she wanted more background on how the recommendation came through the System. She asked about Dr. Chairsell's salary after the 15% increase. Chancellor Nichols replied that her salary would be \$131,612.90. The 15% increase would be paid by Landwell Corp. and would not be a cost to the System. Dr. Chairsell has asked that she not be provided with other presidential prerequisites (no automobile or housing allowance) for the interim period. Regent Howard asked how long Dr. Chairsell had been with the System and from where she came, adding that she had seen the resume but wanted more information. Chair Dondero referred Regent Howard to the resume, adding that Dr. Chairsell had been in the System for a long time. Dr. Chairsell reported that she had been in the System for 16 years. She began as a political science faculty member in 1987 at UNLV, just after finishing her Master's degree at UNLV. She served as a lecturer for 8 years in the Department of Political Science. Her starting pay was \$19,000. She then moved to the newly created Environmental Studies program and became a Director of Energy Education. She worked with the Clark County School District to integrate professional development into their curriculum. After 3 years, CCSN hired her as a dean at \$65,000. She worked there managing programs, began a Distance Education program and a weekend college. She also managed a unit of Student Services providing a one-stop shop. She was promoted to Provost of the Charleston Campus where she managed at a campus level. She believed she was paid approximately \$90,000, adding there were provosts at the other campuses and CCSN tried to maintain an equitable range. She was given additional responsibility for managing all computing services for CCSN. Regent Howard asked about her salary before she came to the System. Dr. Chairsell replied that she was a student and had just left the United States Air Force. Regent Derby corrected Dr. Chairsell, and asked about her salary prior to working for the System office. Dr. Chairsell replied that she earned approximately \$98,000/year. Regent Howard stated that her comments were not against Dr. Chairsell personally, adding that she felt that Dr. Chairsell was very good at what she does. Regent Howard expressed concern about whether Dr. Chairsell was able to lead an institution in this unique situation, adding that it was a virtual university and did not really exist. She suggested leaving the college as a virtual or on-line institution. Regent Howard requested that her comments be entered into the record. She said that she had spoken to at least 3 legislators. She related that 3 legislators had spoken publicly in opposition to starting a new college. Chair Dondero stated that Regent Howard's comments were not pertinent to the item. Regent Howard stated that it was a part of the Board's discussion regarding who would lead NSCH. She said that she knew of at least 4 senators serving on the IFC who thought the college was not a good idea at this point in time. Chair Dondero again warned Regent Howard that she had strayed from the subject. Regent Howard stated that she was still discussing the person who would lead the college. Chair Dondero reminded Regent Howard that she was not addressing the agenda item. Regent Howard requested General Counsel's opinion. General Counsel Ray stated that the discussion was broader than the scope of the agenda. However, he was assuming that Regent Howard was prefacing the reasoning for her vote and if it related to her vote it was fair. He stated that the discussion was a bit broad, and recommended not going too far with it. Regent Howard stated that it would all lead to what she was really supporting or oppose the appointment. She said the question had been asked, "Why not now?". She felt that funding would hurt UNLV and CCSN. She thought the Board should delay the opening for a few years, if not scrap the idea. She feared that any other action would be a poor decision on the part of the Board and the Board would lose respect among key legislators, which could hurt the Board in the long run. She felt it was a bad idea to spend more money on this idea. She said that several events had taken place since the study recommendation for the college, and the Board should consider whether this concept was still feasible and whether CCSN could play a bigger role in educating teachers and nurses. Regent Howard completed what UNLV was already doing. Regent Howard stated that, at St. Petersburg College in Florida, they received legislative approval in a string of Regent H. Hill's state. Regent H. Hill warned Regent H. Hill

Regent Kirkpatrick asked about the criteria used for determining the appointment. Chair Dondero replied that Dr. Chairsell knows the System well. Regent Kirkpatrick stated that he was not referring to Dr. Chairsell, but the criteria established for the president of the college. Chair Dondero stated that she consulted with the Chancellor regarding who had the proper credentials for the position. Regent Kirkpatrick asked about those credentials. Chair Dondero replied that Dr. Chairsell had an academic background. Regent Kirkpatrick asked Chair Dondero to limit her response to credentials for the position. Chair Dondero replied that she was looking for someone with an academic background, leadership capabilities, and other areas relating to being a good president. Regent Kirkpatrick asked how many people were considered. Chair Dondero replied that three others were considered. Regent Kirkpatrick asked why only three other people were considered. Chair Dondero replied that it was an interim appointment for a specific purpose. Regent Kirkpatrick asked how many people declined the offer. Chair Dondero replied that a number of them had for reasons of their involvement in other projects and their work. Regent Kirkpatrick asked which key Regents Chair Dondero had consulted. Chair Dondero replied that most of her consulting was done with the Chancellor. Regent Kirkpatrick stated that he would oppose Dr. Chairsell as President of NSCH because she did not have the background, experience, qualifications, or the knowledge of a baccalaureate degree granting institution. He noted that the constitution provided that the Board of Regents selects and appoints presidents. He felt that it was one of his most important functions as a Regent. He felt it was also the most important thing the Board does for an institution. He stated that a president was not only a Chief Executive Officer, but also a Chief Financial Officer, Chief Administrative Officer, and, most importantly, a Chief Academic Officer. He related that presidents also had many other related duties (i.e. students services, Foundations, and spokesperson for the institution). He felt it was imperative for the appointee to have the background, training, and experience to fulfill those roles. He observed that a deliberate process had been followed for appointing the two most recent presidents. He related that a number of people had applied or were nominated for the position. Dr. Chairsell's committee and Regent committees reviewed the candidates and selected the top three. He acknowledged that the committees selected outstanding candidates. He observed that the same process was used for selecting Dr. Chairsell as the 10th President. He felt that NSCH had good presidents and wanted to maintain that standard. He said that he liked Dr. Chairsell, adding that he did not enjoy doing this, but felt it was his job to do so.

Regent Kirkpatrick asked Chair Dondero if she had any other questions. Chair Dondero replied that she did not. Regent Kirkpatrick stated that he would like to hear from the other Regents. Regent Kirkpatrick asked if there were any other questions. Chair Dondero replied that there were not. Regent Kirkpatrick stated that he would like to hear from the other Regents. Regent Kirkpatrick asked if there were any other questions. Chair Dondero replied that there were not.

Regent Howard felt that the Board had a bad habit of putting people in positions for which they are not qualified (i.e., the last CCSN Interim President). She felt that, due to his inexperience, the entire System had been embarrassed. She felt that people hired for this type of position should already have some experience in that position. She said that she could not support the recommendation, adding that she thought that Dr. Chairsell was a good person.

Upon a roll call vote the motion carried. Regents Derby, Dondero, Gallagher, Hill, Rosenberg, and Seastrand voted yes. Regents Hobbs, Howard, Kirkpatrick and Sisolak voted no. Regent Alden was absent.

Chair Dondero named the members of the NSCH Presidential Search Committee (on file in the Board office). Regent membership included Mark Alden-Chair, Jill Derby, Dorothy Gallagher, Doug Seastrand and Thalia Dondero.

- (Cont'd.)

None.

- None.

The meeting adjourned at 1:35 p.m.

Suzanne Ernst
Chief Administrative Officer to the Board