

BOARD OF REGENTS
UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
Building D, Room D-152
Community College of Southern Nevada
6375 W. Charleston Blvd., Las Vegas
Thursday-Friday, January 30-31, 2003

Members Present:

Mr. Douglas Seastrand, Chair
Mr. Mark Alden
Dr. Stavros Anthony
Ms. Marcia Bandera
Dr. Jill Derby
Mrs. Thalia Dondero
Mr. Douglas Roman Hill
Mrs. Linda Howard
Dr. Tom Kirkpatrick
Dr. Jack Lund Schofield
Mr. Howard Rosenberg
Mr. Steve Sisolak
Mr. Bret Whipple

Others Present:

Chancellor Jane Nichols
Vice Chancellor, Finance & Administration Dan Miles
Vice Chancellor, Academic & Student Affairs Richard Curry
General Counsel Tom Ray
President Ron Remington, CCSN
President Stephen Wells, DRI
President Paul Killpatrick, GBC
President Kerry Romesburg, NSC
President Philip Ringle, TMCC
President Carol Harter, UNLV
President John Lilley, UNR
President Carol Lucey, WNCC
Chief Administrative Officer Suzanne Ernst

Also present were faculty senate chairs Dr. Joan McGee, CCSN Ms. Lynn Fenstermaker, DRI Mr. Pete Bagley, GBC Dr. Erika Beck, NSCH Dr. Eun-Woo Chang, TMCC Dr. Bill Robinson, UNLV Ms. Bourne Morris, UNR Ms. Winnie Kortemeier, WNCC and Mr. John Tully, System Administration. Student government leaders present included Ms. Kerri Hamrick, CCSN Mr. Steve Houk, GBC Ms. Janell Mihelic, NSCH Mr. Kiyoshi "Teddy" Noda, TMCC Ms. Monica Moradkhan, UNLV Ms. Jocelina Santos, UNLV-GSA Ms. Alicia Lerud, UNR and Ms. Marilou Woolm, UNR-GSA.

Chair Douglas Seastrand called the meeting to order at 8:16 a.m. on January 30, 2003 with all members present except Regent Schofield.

1. Oath of Office - The newly elected Regents were sworn into office. A reception followed the ceremony.

- Mrs. Thalia Dondero was sworn in by the Honorable Betsy Kolkoski.

Regent Schofield entered the meeting.

- Dr. Stavros Anthony was sworn in by the Honorable George Assad.
- Mr. Howard Rosenberg was sworn in by the Honorable Jackie Glass.
- Dr. Jack Lund Schofield was sworn in by the Honorable Lloyd D. George.
- Mr. Bret Whipple was sworn in by the Honorable John McGroarty.

The meeting recessed at 8:36 a.m. and reconvened at 9:09 a.m. with all members present.

2. Approved-Handbook Amendment, Board Bylaws – The Board approved the second hearing of a request to amend the Board of Regents' Bylaws (Title I) in order to accommodate the addition of two new Regents and to make other recommended changes. (Ref. A on file in the Board office)

Regent Alden moved approval of the Handbook amendment regarding the Board's Bylaws. Regent Kirkpatrick seconded.

Regent Hill offered a friendly amendment to require only two Regents (rather than 3) to add an item to the Board's agenda. Regents Alden and Kirkpatrick agreed to the friendly amendment.

Regent Derby disagreed with the friendly amendment, adding that a sense of order and consensus was necessary in order for the Board to entertain discussion of an agenda item. She noted that restrictions were in place with other boards across the country to prevent an agenda being filled with items that only one or two members want to bring forward. She felt that requiring three Regents was reasonable and urged the Board to remain with the proposed language, adding that it supported Board consideration of items built upon a greater consensus.

Regent Alden felt that requiring two Regents to add an item to the agenda was reasonable and urged the Board to support the friendly amendment. He observed that Regent constituencies were growing. He felt that requiring more than two Regents could lead to allegations of polling the Board, which would violate the Open Meeting L considerag lthat requiri

(4) Approved-Handbook Amendment, GSA Constitution, UNLV – The Board approved President Carol C. Harter’s request to change the name of UNLV’s Graduate Student Association (GSA) to the Graduate and Professional Student Association (GPSA). (Ref. C-4on file in the Board office)

(5) Approved-Handbook Amendments, Summer Term 2003 Salary Schedules, UNLV & UNR – The Board approved Presidents Carol C. Harter and John Lilley’s request for changes to the Summer Term 2003 Salary Schedules as provided in the Board Handbook(Title IV, Chapter 3, Section 27). (Ref. C-5 on file in the Board office)

UNLV – No change in salary schedule requested for 2003 Summer Term. The following schedules are effective for the 2003 Summer Term.

1. UNLV Faculty

Professor \$1,900 per credit hour
Associate 1,800
Assistant 1,700
Lecturer 1,500

2. Visiting Faculty

Professor \$1,800
Associate 1,600
Assistant 1,400
Lecturer 676-1,375
Lab Assistant 1,092
Professor Emeritus: Rate depends upon rank at time of retirement. Pay per credit hour of individual instruction is \$70.00 for undergraduate courses and \$95.00 for graduate courses.

UNR

2a. The following salary schedule applies to classes taught on- or off-campus during the inclusive dates of Summer Session.

1. Resident Faculty

Professor \$[1,750] \$1,800 per credit hour
Associate Professor \$[1,515] \$1,580
Assistant Professor \$[1,365] \$1,450
Instructor \$[1,125-1,750] \$1,225-1,800
Teaching Assistant/
Graduate Assistant \$[980] \$1,005

2. Visiting Faculty No changes recommended for Visiting Faculty.

Professor \$1,435
Associate Professor \$1,270
Assistant Professor \$980
Instructor \$980-1,435
The per-credit hour salary is the maximum allowable. A lower amount is permitted when agreed to by the instructor.

(6) Approved-Capital Development Fee Request, CCSN – The Board approved President Ron Remington’s request for site development of the Charleston Campus. The three-point request addressed land preparation, construction of connectors between existing parking lots, and site development in preparation for capital projects. (Ref. C-6 on file in the Board office) in file

- Site development for Health Sciences Building. 50,000
 In anticipation of funding for the Health Sciences Building project at Charleston, it is necessary to begin site development for the land. Funding for project planning, up to the creation of construction documents, was approved during the 2001 legislative session. Improvements include utility connection (Nevada Power) and start-up activities such as the Water Plan Review and other land reviews. Once capital improvement funding is authorized, these items will be reimbursable through the State Public Works Board.
 TOTAL: \$369,500

Regent Alden moved approval of the Consent Agenda. Regent Bandera seconded.

Regent Sisolak clarified there were no salary changes for UNLV Summer term faculty. Chancellor Nichols clarified that UNR was proposing increases for resident faculty, but not visiting faculty. Regent Sisolak requested faculty senate concurrence. Ms. Bourne Morris, Faculty Senate Chair-UNR, reported that the faculty senate concurred with the proposed changes.

Motion carried. Regent Rosenberg abstained.

8. Approved-Handbook Amendments, UCCSN Code, NSCH – The Board approved the final hearing on a request for approval of amendments to the UCCSN Code (Title II, Chapters 1 and 5) to incorporate provisions related to Nevada State College (NSC) and UNR in the Board of Regents office. Proposed amendments to NSC as specified in the handbook memorandum.

Regent Alden moved approval of the Handbook amendment to the UCCSN Code. Regent Hill seconded. Motion carried.

9. Approved-Handbook Amendments, Regent's Award – The Board approved Chancellor's request for amendments to the Board of Regents' Handbook (Title IV, Chapter 1) to reflect updated procedures for the Nevada Regents' Awards. A new, comprehensive Chancellor's Memorandum was issued in 2002 to consolidate the procedures and criteria for the awards into one document. The proposed handbook amendments do not make any substantive changes to the award procedures.

are the employing authorities. A president's relative could not be hired, but it would not be a violation of the statute for an institution to hire the relative of a Regent.

Regent Kirkpatrick asked whether a form would be developed and sent annually to Board members. General Counsel Ray replied in the affirmative.

Regent Sisolak expressed concern about changing the policy from Board approval to Board notification. General Counsel Ray clarified that the amendment would allow an institution to employ a Regent's relative. Regent Sisolak asked about the purpose of notification. General Counsel Ray replied that the original intent for requiring Board approval was to make the Board aware to avoid any potential conflict situations. He felt that notification would also accomplish that. Regent Sisolak recalled a lengthy discussion of this issue. At that time, it was the Board's preference that Regents' relatives not be employed by the institutions. He took exception to allowing relatives of Regents to be employed by the institutions, adding that he would not support the motion.

Regent Anthony asked whether the Board could deny the employment with the proposed amendment. General Counsel Ray replied that they could not. He related that the institution president had the authority to hire at the institution level.

Regent Dehn asked if the Board could deny employment. Chancellor Nichols replied that a policy was put in place reflecting the will of the Board. She felt that the Board had been concerned about the perception surrounding a relative being hired. This was the Board's intent in the NRS. The Board's intent was to provide public notice/notification to serve the same purpose. She related that the only other alternative would be to ask the legislature to exempt the Board from that portion of the NRS.

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date. He felt the Board should vote for the item in its present form. He acknowledged that if the Board was the appointing authority and approved the employment contract of a relative the Board would be in violation of the law.

Regent Sisolak did not disagree with Regent Hill's comments. He questioned whether the Board was disenfranchising everyone else applying for these positions. He felt it would put the presidents in a difficult position and feared that Regents could unfairly pressure the presidents to hire a relative. He was unsure where to draw the line on consanguinity. He was concerned about the public perception as well as the difficulty it could create for the presidents.

Regent Kirkpatrick stated that he would not want his son to be penalized due to his status as a Regent. He felt that his son should be able to apply for any job based on his own qualifications and that his relationship to a Regent should not be a factor of employment.

Regent Hill noted that if any Regent pressured a president to hire an individual they would have clearly violated the ethics code. He suggested adding language as a disincentive that if any Regent tried to influence the hiring of a relative, the president should notify the Board Chair and Chancellor as well as the EVC and the e

receiving help from UNLV's advisors and that instructors were pleading for more classes. She related that she was unable to get into classes applicable to her major.

Chancellor Nichols said that her heart went out to the student, adding that she had

economy. Chair Seastrand requested a follow-up report from the Chancellor regarding potential solutions to class restrictions as well as the previous student's complaint.

Regent Dondero asked whether UNLV had explored partnerships for use of the school district's facilities. President Harter replied that physical space was not the issue, but p

(Bound Report on file in the Board office)

- CCSN conducts yearly research projects that together provide a broad overview of institutional outcomes related to their mission. To measure student satisfaction and success, CCSN surveys current and former students to determine the impact of their CCSN experience on their interpersonal, academic, and job skills development. Assessment has become continuous and is resulting in improvements in developmental programs and changes in campus culture.
- GBC recently added three baccalaureate degree programs in elementary education, integrative and professional studies, and applied sciences, and therefore, increased reporting requirements and focused attention on the areas of student outcomes and assessment activities. They also established a student enrollment data warehouse that tracks such items as retention and persistence.
- UNLV utilizes various assessment tools at all da e

Regent Hill moved approval of the Committee recommendation and acceptance of the report. Regent Bandera seconded. Motion carried. Regent Alden was absent.

The meeting recessed at 2:49 p.m. and reconvened at 2:57 p.m. with all members present.

19. Denied-Attorney General Opinion – The Board denied Regents Doug Hill and Mark Alden’s request asking the Attorney General to render an opinion on the following two questions:

1. Can an employee of the UCCSN serve on the Board of Regents?
2. If an employee of the UCCSN serves on the Board of Regents, on which issues can that Regent vote and on which issues can that Regent not vote?

Regent Hill observed the presence of an issue no one wanted to discuss. He reported there have been a number of Regent candidates who were also full- or part-time System employees. A recent Regent candidate is considering moving to another district solely for the purpose of running for the next Board vacancy. A sitting Regent considered the possibility of System employment during their term. He noted there had been many editorials within the last year addressing the issue of Regent employment and conflicts of interest. He complimented Regents Anthony and Whipple for not continuing their System employment while serving on the Board. He related that it was a recurring issue. He clarified that the agenda item involved asking the Attorney General for an opinion on the two questions since no opinion existed. He felt that Regents should obey, know, and follow the law. He acknowledged the existence of an Ethics Commission opinion regarding Regent Rosenberg’s service on the Board. He felt the Ethics opinion was confusing. Of the five members on the commission, two members felt the opinion was helpful and the other three felt it was confusing. He stated that the commission had not issued an opinion on the issue.

matter should have been resolved six years ago and not now. He observed that the constituents of Regent Rosenberg's district re-elected him after his f

this issue. He noted that school district employees had been removed from office after being elected in Nevada. He felt the Ethics Commission opinion was unclear, adding that he was concerned about the Board's credibility and reputation. He felt it was a mistake for the Board to decide they do not want to know what the law is, adding that it would haunt the Board in the legislature and hurt the Board's public reputation. He said he too believes in the power of the people, but felt the Board requires an opinion to determine its position on these issues. He was concerned the Board would be perceived as an ostrich with its head in the sand. He felt the Board should stand up for wanting to know and follow the law.

Upon a roll call vote the motion failed. Regents Alden, Anthony, Bandera, Hill, and Whipple voted yes. Regents Derby, Dondero, Howard, Kirkpatrick, Rosenberg, Schofield, Seastrand, and Sisolak voted no.

20. Approved-Regent Proposals – The Board approved Regents Stavros Anthony, Marcia Bandera, Jack Lund Schofield, and Bret Whipple's request for the following proposals in order to strengthen the team focus of the Board of Regents.

Regent Anthony explained that the newly elected Regents met to discuss their initial contribution to the Board with a focus on teamwork and mission. He related that it appeared that other Board members were also interested in this philosophy. He requested Board feedback on the following issues:

A. Annual voluntary two-day weekend retreat:

- Promote personal relationships between individual Board members.
- Provide facilitators to lead discussion on topics which enhance a Regent's ability to perform effectively.

Regent Anthony said that retreats were very productive and provided an opportunity to become acquainted with one another and better understand each other's decisions. They also provide the opportunity to entertain philosophical discussions. He related that attendance would not be mandatory.

B. Request for informational requests

- Informational requests to any person in the UCCSN System, other than the Chancellor, Presidents, General Counsel, Chief Administrative Officer, or the Director of Internal Audit, must be in writing and approved by the Chairperson of the Board of Regents.
- If the Chairperson is unavailable, then any request must be approved by the Chancellor. It is the duty of the Chairperson or the Chancellor to review the request and confirm that the result of the request falls within the oversight and policy making requirements of the Board of Regents.
- If the Chairperson or Chancellor determines that the request is overly burdensome or unreasonable and not designed to elicit information regarding the oversight and policy making requirements of the Board of Regents, then the Chairperson can deny said request.
- The Chairperson or Chancellor must deny the written informational request within 2 working days of receipt or the written informational request will be deemed to be approved.
- If the informational request is denied, it may then be brought before the Board of Regents for a vote.

Regent Anthony explained the importance of Regent's working closely with the institutions present. He stated that the Chairperson felt the Board should know what the law is, adding that it would haunt the Board in the legislature and hurt the Board's public reputation. He said he too believes in the power of the people, but felt the Board requires an opinion to determine its position on these issues. He was concerned the Board would be perceived as an ostrich with its head in the sand. He felt the Board should stand up for wanting to know and follow the law.

each campus should ident

Chair Seastrand asked about plans for the money received from the sale. President Wells replied that the institute had not yet decided.

Regent Hill moved approval of the negotiation of land sale for DRI. Regent Bandera seconded.

Regent Sisolak asked about the increase in property value thus far. Mr. Alan Austin, Vice President, Finance & Administration-DRI, replied that, given the nature of the property, it would likely not increase and the RTC would initiate eminent domain proceedings to secure the property, which was critical to the interchange project. He indicated that the property value increase to date had been negligible due to the property's landlocked status. Until the interchange is completed, the property value is not likely to increase. Regent Sisolak asked if the RTC would initiate eminent domain proceedings to secure the property. Mr. Austin related that DRI felt it was an opportune time to negotiate the land sale because another commercial property owner in a similar situation had valuations prepared that provide comparables for DRI and put the institution in a good position for getting the most reasonable best price from RTC. Regent Sisolak said that he wanted to get the most money for the property. Mr. Austin assured Regent Sisolak that DRI was similarly disposed.

Regent Sisolak asked about the use of the property for advertisements. Vice President Austin related that DRI had done some preliminary investigation to determine the use of the property for advertisements.

Hill was deeply troubled by that figure. He requested input from the presidents about what could be done. He suggested that a termination date or phase-out schedule be developed as well as other alternatives not yet considered. He felt that UCCSN should not be offering remedial education at the university level.

Chancellor Nichols said that she was pleased with the recommendation to study the issue. She related that the item as written would not remove remedial education courses from the universities, but rather would make them self-supporting. She related that it was a philosophical, financial, and student issue. She noted that UCCSN had been trying to reduce the number of recent high school graduates requiring remediation. Two-thirds of the students taking remedial courses are not recent high school graduates. She related it would take time to develop the financial details, adding that she. Sheng remed

Ms. Kathleen Payne, Director of Banking & Investments-UCCSN, reported that System Administration had analyzed the two options. A \$2.2 million deposit would come from the operating pool, which is expected to earn 5-6% in the long-term. The fee for a \$1,250,000 letter of credit would be \$9,375/year. A cash deposit would require withdrawing \$2.2 million from the operating pool and putting it into a money market trust fund, earning a little over 1%. She related that the letter of credit provided an approximate savings of \$70,000 including costs.

Regent Hill moved approval of Resolution 03-03 regarding a letter of credit for workers compensation. Regent Bandera seconded.

Chair Seastrand asked about the \$4 million umbrella. Mr. Hansen replied that the aggregate totaled \$4 million annually. Chair Seastrand asked about the System's \$250,000 retention obligation. Mr. Hansen explained that an accident resulting in death would result in a \$250,000 System obligation even though the claim could total over \$1 million. He explained that the System's obligation ended at \$4 million and the insurance company would then become responsible for claims over that amount. Chair Seastrand asked about the fund that would be used to self-fund workers compensation. Mr. Hansen replied that the System's Administration collects 7.5% of the self-insured retentions (\$6,000) total in \$5.5 million. He also stated that the annual payroll is \$3.1 million. The provision for a separate fund as a separate item. Mr. Chair Seastrand asked whether financial and legal staff had reviewed the proposal. Vice Chancellor Miles replied that they had.

Regent Bandera asked about the policy of cost for new police officers. Mr. Hansen replied that the cost was \$75 daily for the first 180 days. Under NRS, there is a conclusive presumption that heart attacks incurred by System police officers or firemen, employed for a 3/5 term, were caused by their employment. These claims cost between \$70,000 and

Motion carried.

30. Approved-Sale of White Pine County Land Parcel, UNR – The Board approved President John Lilley's request for the sale of a land parcel in White Pine County. The parcel was put out to bid the week of November 18, 2002 and one bid was received December 5, 2002. (Ref. P on file in the Board office)

Regent Hill moved approval of the sale of land in White Pine County for UNR. Regent Alden seconded.

Regent Howard asked how long the item had been on the table and why. Mr. Ron Zurek, Special Assistant to the President, Administration & Finance-UNR, replied that the Board had last approved the item in August 2001. Regent Howard related that concerns had been expressed by Regent Dondero when the item was first considered. Regent Howard asked about those concerns and requested more history. Mr. Zurek reported that the item had appeared on the Board's agenda twice before and removed due to negotiations with the potential purchaser(s).

Regent Dondero stated that it was first reported that no water was associated with the property, but shjewater was assoc got

owned the land and nothing was developed. She asked about the revenue generated from the property. Mr. Zurek replied that it was a 55-year lease at \$1,500/month with no escalator clauses. Regent Howard asked whether the t] c a

The original motion carried. Regent Alden was absent. Regent Howard abstained.

Regent Sisolak reported that Regent Alden had requested it be made clear that Regent Alden was out of the room when the discussion ensued.

32. Approved-Transfer Water Rights to County, UNR – The Board approved President John Lilley’s request for the transfer of university water rights to the county, in exchange for an equivalent value of water service to the Wolf Run Golf Course (Ref. R on file in the Board office). President Lilley introduced Mr. Ron Zurek and Intercollegiate Athletics Director, Mr. Chris Ault. He noted that it was Mr. Ault’s first appearance since being inducted into the College Football Hall of Fame.

Mr. Zurek reported that UNR was requesting approval of the transfer of 100-acre feet of university surface water rights to Washoe County in exchange for 60-acre feet of water service in support of the Wolf Run Golf Course. In 1987, 160 acres of land was donated to the university’s Athletic Association for a golf course. The 18-hole championship course is located in southwest Reno and is open to the public. As the course has developed and operated, net proceeds have been used exclusively by AAUN to support men’s and women’s athletic scholarships. The original gift of land included 337-acre feet of water rights, which was believed to be sufficient for the course. It was later determined that more water was necessary. Another 100-acre feet was generously donated on an interim basis. That arrangement will end this summer. It has been determined that an additional 60-acre feet of water will be necessary. The exchange is valued at \$360,000. The university has reviewed the impact to the existing inventory of water rights. UNR recently completed a projection of its 10-year capital expenditure plan. If all of the construction planned were completed there would still be 429 acres on the campus and an additional 4,725-acre feet of water rights in connection with the various agricultural properties in the Truckee Meadows. This request involves approximately 2% of the university’s existing water rights.

Mr. Chris Ault reported that the golf course was in its 4th full year of operation and represented yet another extension of the university to the community. He related that the community involvement had a positive influence on the athletic department. In 1986, the primary obligation of Intercollegiate Athletics was to provide scholarships for student athletes. He related that the cost of doing business at the collegiate level was increasing. The athletic department purposely wrote the contract to generate additional revenue solely to fund scholarships. The agreement requires that an outside management agency run the day-to-day operations of the course. They are required to service the debt, pay the taxes and insurance, and all costs associated with development of the course. In the past 3 years, the course has averaged \$30,000/year in net proceeds. All indications point to increased revenues with the growing Reno population. Mr. Ault related that Board approval would provide the water necessary to maintain the course while allowing net proceeds to be devoted to scholarship funds.

Regent Rosenberg moved approval of the transfer of water rights for UNR. Regent Howard seconded.

Regent Rosenberg asked about the difference between water rights and water service. Mr. Ault replied that water service was a connection to the water supply and a delivery of service for a fee.

Regent Sisolak asked whether the course was watered with potable water. Mr. Ault replied that the County was now mandating use of effluent water for the golf courses. Regent Sisolak asked whether this was the matter that Justice Springer had written about. Mr. Ault replied that it was, adding that the matter had been resolved. Initially, there was concern that the university was going to sell the course to certain entities involving a housing project. He reported there were no longer any problems and the complaining parties were playing golf at the course. President Lilley stated that the issues had been clarified. Regent Sisolak asked whether everyone was satisfied. Mr. Ault replied that they were. Regent Sisolak said that he

intended to ask whether the university had reviewed the long-term impact on the public. He asked whether the university had reviewed the long-term impact on the public. He asked whether the university had reviewed the long-term impact on the public.

President Romesburg reported that the wording was similar to UCCSN procedures with one exception Section 7.4.2 (Standards for Recommending Appointment with Tenure). NSCH faculty must receive an excellent rating in the area of teaching or other professional duties, while the universities require an excellent rating in one of three areas. Since NSCH is a teaching institution, research will not be required of faculty nor will it be rewarded. Faculty must also have a satisfactory rating service in scholarship/creative activity and service. He related they had used the language recommended by the Northwest Accreditation Association.

Chair Seastrand asked whether the faculty agreed. NSCH Faculty Senate Chair, Dr. Erika Beck replied that they did. Chair Seastrand asked whether there were other faculty senate concerns. None were expressed.

The meeting recessed at 11:49 a.m. and reconvened at 12:15 p.m. with all members present.

34. Information Only-2003-2005 Biennial Budget Update – Chancellor Jane Nichols and Vice Chancellor Dan Miles updated the Board on the status of the 2003-2005 biennial budget request. The Governor has made his recommendations to the legislature. The Board may consider and adopt any further budget changes or other related actions to be recommended to the legislature. (Bound Report on file in the Board office)

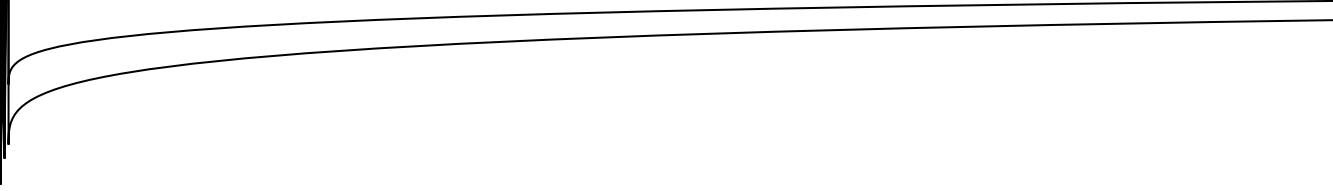
Chancellor Nichols said that she would not be as detailed with the Board as she had been with the legislature, adding that she wanted to provide highlights regarding the budget.

- The Master Plan is the cornerstone of the System, providing the plan for the future.
- Nevada needs to determine what is necessary for the state to have a strong economy.
- The cornerstone of a strong economy is higher education.
- UCCSN is essential for that future.
- The Board's six goals were explained to the legislature.
- A letter sent by the Medicare program verified the difference the Dental School has made in southern Nevada in one year.
- The program has treated approximately 20,000 Medicaid and Nevada Check-up children since February 2002, exceeding the statewide total treated in 2001.
- Due to the dental school, the number of dentists available for Medicaid children who could not previously afford care has increased 75%.
- In order to deliver the six goals, the System must provide services in a more effective and efficient manner.
- Mission differentiation will prevent duplication of programs and ensure that academic programs and services are delivered in the most cost effective manner.
- UCCSN's transfer policy is the strongest in the U.S.
- Students can start at a community college and finish at a university with the same number of credits as if they started at the university.
- Key partnerships have been developed with major manufacturers.
- UCCSN emphasizes collaboration and not competition between System institutions.
- UNLV offers an upper division teacher education program at CCSN's Cheyenne campus.
- Reasons to support UCCSN's budget request:
 - Governor's budget recommendation is not built on a revenue forecast but on a tax proposal.
 - Supporting higher education is critical to Nevada's future.
 - Providing Nevada with an educated population.
 - Students are paying their fair share.
 - UCCSN continues to seek cost savings efficiencies.
 - Nevada is at a crossroads.
 - Nevada grew at a rate of 36% from 1993-1999. The national rate of growth in public universities and colleges was 1%.
 - Nevada realized phenomenal growth in both headcount and FTE.
 - Largest growth in the community colleges, especially CCSN.
 - Nevada has the highest percentage of part-time students in the U.S. primarily due to historically low financial aid and job availability.
 - Since the introduction of the Millennium Scholarship, more students are going full-time and taking more courses.
 - Studies indicate that part-time students are most likely not to persist to graduation. UCCSN is trying to encourage full-time participation.
 - The distribution of undergraduates by age group differs for Nevada's universities and community colleges.
 - Universities have about 53% of 18-22 year olds.
 - With Nevada's historically low college-going rate, students are returning to college later in life.\
 - Nevada students take longer to obtain their degrees. Most graduates are between 24 and 26 years of age.
 - UCCSN needs to address concerns regarding availability of courses as well as part-time students. Taking longer to graduate is a cost to the state, the student, as well as the student's family.
- Growth Rate 1992-2002 -
 - GBC - 5% loss in headcount, but 38% growth in annual average FTE.
 - Students taking more courses (degree seekers).
- Minority Enrollment Gains -

Progress has been made with persistence and number of degrees.

Master Plan includes an objective for minority groups to have the same persistence and graduation rate as the majority group.

30% of Nevada high school graduates are now considered minority.



Chancellor Nichols reported that it was difficult to communicate why UCCSN requires 86% of the formula since it has been surviving on 79%. The formula represents the agreement between the state and higher education for the cost to run a university, state, or community college. Established by outside consultants for the Interim Finance Committee, it sets a baseline for budgetary considerations. It recommends replacement of desktop computers every 3 years, yet UCCSN has never been able to accomplish that. The formula funds equipment, operation & maintenance, teaching assistants, academic support, library services and library books. Nevada can only afford to fund a portion of the formula. Two years ago the legislature gave the presidents flexibility to move money within the formula budget areas in order to manage their institutions in the best manner. When the formula funding level is lowered institutions are unable to sufficiently staff student services, equipment is not renewed, library books are not purchased, and students are denied access to courses and equipment. Chancellor Nichols reported that the

budgeted for, yielding a shortfall. The governor has recommended \$92.6 million in Estate Tax expenditures. UCCSN plans to address this concern with the legislature.

Regent Kirkpatrick was disappointed by the amount of Estate Tax recommended by the governor. He asked what would happen to the Estate Tax fund. Mr. Miles replied that it would likely reach a deficit before the end of fiscal 05. He related that funds would continue to trickle in over time, adding there was an approximate 9-month lag for Estate Tax returns. Regent Kirkpatrick observed that UCCSN would have been better off spending the Estate Tax like the school district did. Vice Chancellor Miles disagreed. He said that endowing it provided the opportunity for future expenditures. Strong consideration was given to allowing UCCSN to maintain the balance and replace expenditures with state funds. If UCCSN had spent it as it was received (like K-12) they would never have earned any money from it. UCCSN received a larger benefit than what was actually collected due to successful investments over the 10-12 year period. Chancellor Nichols observed that many items funded by the Estate Tax were actually formula funded items from the base budget. The state was unable to replace those funds with state dollars. The Board's focus will be on trying to get the state general fund to pick up on the second year of funding because System Administration believes that sufficient Estate Tax funds will not be available. She observed there are 260 positions currently funded by the Estate Tax, adding that it would be an ongoing discussion with the legislature.

Regent Howard asked about the malpractice insurance for the School of Medicine. Mr. Miles replied that the adjustment was taken from the Estate Tax last year to help the SOM get through the current year.

Regent Kirkpatrick observed that the Estate Tax was used to fund financial aid, EPSCoR, and maintenance costs not covered by the state general fund. He observed that the System would be in a serious situation when Estate Tax proceeds ceased. Mr. Miles said that members of the joint money committees recognize they will face a \$90 million deficit in the state budget. He said there was clear understanding that these were necessary, ongoing expenses and not extras.

Regent Hill felt it critical for the Board and presidents to stand behind the Chancellor when she addresses the legislature, adding that a united front was necessary. Chair Seastrand agreed. Regent Sisolak agreed, adding that the students who spoke earlier in the meeting could provide UCCSN's best opportunity.

Vice Chancellor Miles reviewed the governor's recommendation for capital improvements. Virtually all capital improvement funds at the state level come from general obligation bonds. There are limitations on the amount of general obligation bonds that the state can issue. One is a constitutional cap preventing the issuance of bonds worth more than 2% of the assessed value. Fifteen-cents/\$100 of assessed value property tax supports the general obligations of the state. The governor's budget proposes to increase that to sixteen-cents. The governor's budget did not include furnishings and build-out for NSCH's first building. It also did not include UNLV's student services addition, even though planning funds were approved in the previous session. The governor's budget recommended HECC/SHECC maintenance and repair funds. He reported that interest had been expressed in a two-cent property tax increase which would directly benefit higher education.

Regent Anthony asked about private funding and how well UCCSN was pursuing contributions. Chancellor Nichols replied that she had advised the legislature that higher education was the only sector of state government that enabled buildings to be constructed with successful private fundraising. From 1991-2003, 44% of the cost of construction was paid with private funds. She related that community partners had responded, adding that the percentage increased every biennium. She related that most states do not expect higher education to pay for new buildings with private funds, adding that it placed a significant amount of pressure on UCCSN to continue those efforts.

Regent Sisolak observed that foundations normally raised funds for scholarships and endowed chairs instead of new buildings. Chancellor Nichols said that the quality of UCCSN institutions would be incredibly better if money could be diverted to those programs.

Regent Sisolak asked about the restriction on the capacity of assessed valuations. Mr. Miles explained that he had referred to the cap on the number of outstanding bonds. He explained that the real cap was the fifteen-cents/\$100 to service the bonds. In addition to the governor's proposed one-cent increase, there is another proposal for a fifteen-cent increase for general state revenues. Regent Sisolak asked whether the foundations could be used to help make this case because they were effectively on a constant capital campaign. President Harter observed that it was much more difficult to raise funds in the uncertain economic climate. Regent Sisolak said that he did not want UCCSN raising 90% of the funds required for new construction. Chancellor Nichols replied that UCCSN projects were ranked in Tier II of the State Public Works Board list, which could have been funded if Clark County property valuations had not decreased. She acknowledged that the two-cent property tax increase would be a topic of discussion with legislators.

Chancellor Nichols reported that, when the police study was conducted, the state was asked to study police salaries. The study revealed that UCCSN police salaries are very, very low. A recommendation was sent to the governor but was not included in his funding recommendation. She related that budget enhancements had not been discussed in spite of incredible incentives to the state. Chancellor Nichols was able to convey the importance of the one-shot expenditure for dental school equipment (\$4.7 million).

Chair Seastrand observed that Nevada has a traditionally low college-going rate, yet has been successful in increasing the number of people going to school. The Millennium Scholarship, a changing psychology, and the downturn in the market has helped convince people to return to school. The demand for services is apparent, yet the state funding has not changed. A new formula has been established, but funding remains traditionally low. He hoped the legislature would recognize the connection between the demand and what it will do for the future of the state in providing revenue sources. He acknowledged a collective belt-tightening. He encouraged support of the Chancellor in an attempt to get the legislature to see higher education's side of the story.

Regent Bandera thanked those providing tours of the southern institutions, adding that she was looking forward to touring the northern institutions as well.

35. New Business – Regent Howard asked about the status of the medical facility relocating from the Charleston area to the Summerlin area. She asked about transportation for indigent patients. President Lilley replied that a two-page summary had been sent to all Regents. He introduced Dr. Michael Harter, Vice Dean, School of Medicine.

Dr. Michael Harter reported there were several issues. In 2000, the family medicine residency program was placed on probation for a number of problems related to the West Charleston facility. For several years the residency program has been housed at CCSN but is actually part of University Medical Center. Walk-in patients are treated by UMC doctors in the Quick Care Center. Some patients were referred to the resident physicians for follow-up care, which facilitated a learning experience. The accrediting agency did not feel it was the most desirable learning experience. UMC is in charge of the clinic yet the accrediting agency requires that the School of Medicine have control over the management of the facility. UMC has also discontinued some less financially viable operations, including two of their Quick Care centers. UMC is vital to the School of Medicine's training operations. UMC has agreed to wait until June 30th to close the CCSN Quick Care Center, which enabled the SOM to make alternative plans for the unit. The SOM has taken over the quick care functions, which will keep the residency program together until the program moves to a new site, which should be completed between May 1st and June 30, 2003. Regent Howard asked about the new site location. Dr. Harter replied that it was located on Smoke Ranch Road in the Tenaya area near Mountain View Hospital. Regent Howard was concerned about the impact to patients requiring public transportation. Dr. Harter replied that approximately 62% of the patients currently seen at CCSN would be closer to the new facility. There are also several bus routes servicing the CCSN facility that will provide access to the Smoke Ranch location. Regent Howard asked whether any complaints had been received. Dr. Harter replied that he had not received any complaints.

The meeting adjourned at 2:10 p.m.

Suzanne Ernst
Chief Administrative Officer to the Board