

BOARD OF REGENTS  
UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA  
Blasco Event Wing  
Foundations Building  
University of Nevada, Las Vegas  
4505 Maryland Parkway  
Friday, May 7, 2004

Members Present: Dr. Stavros Anthony, Chair

Mr. Mark Alden

Ms. Marcia Bandera

Dr. Jill Derby

Mrs. Thalia Dondero

Mr. Douglas Roman Hill

Ms. Linda Howard

Mr. Howard Rosenberg

Dr. Jack Lund Schofield

Mr. Douglas Seastrand

Mr. Steve Sisolak

Mr. Bret Whipple

Members Absent: Dr. Tom Kirkpatrick

Others Present: Chancellor Jane Nichols

Interim Chancellor Jim Rogers

Vice Chancellor, Finance & Administration Bus2

recommended that a process be started to review the position and its responsibilities, and possibly conduct a study related to UCCSN technology. She said that a search would be conducted to fill the permanent position. Chancellor Nichols said it was a temporary appointment, adding that Mrs. Seibert had been functioning in this position for several months.

Regent Bandera expressed her support for the recommendation, adding that she had known Mrs. Seibert for

Chancellor Nichols very much, adding that she has a sterling reputation in the state and the nation. Regent Derby said that the Board wishes her well. She was impressed with the grace and presence that Chancellor Nichols brought to leadership, noting that strained resources and the challenges of working with a difficult Board had been overwhelming.

- • Worked with the faculty senate and the Nevada Faculty Alliance better than any previous chancellor developing a sense of teamwork with faculty throughout the System.
- • Worked hard with Governor Kenny Guinn, State Treasurer Brian Krolicki, and Director Susan Moore to make the Millennium Scholarship program a great success.
- • Presided over the establishment of 64 new programs throughout the System.
- • Gained support from the legislature for a record number of new facilities to house UCCSN's growing student and faculty populations.

3. Approved-Chancellor Transition Plan – (Cont'd.)

- • Gained Regent support for a new Master Plan to govern the development of higher education in the future.

Motion carried. Regent Kirkpatrick was absent.

Chancellor Nichols thanked the Board for their kind remarks. She also thanked the presidents, faculty, and staff, adding that she was grateful for this opportunity to serve.

Chair Anthony related that a reception honoring Dr. Nichols would be held in Reno on Thursday, June 17<sup>th</sup>.

4. Approved-Appointment, Interim Chancellor – The Board approved Chair Stavros Anthony's request for the appointment of Mr. James E. Rogers as Interim Chancellor of the University and Community College System of Nevada. The Board also approved Chairman Anthony's request for the proposed employment agreement. The terms and conditions of the agreement were presented at the meeting (UCCSN Code, Title II, Chapter 1, Section 1.5.5) (handout #4 on file in the Board office).

Regent Alden moved approval of the appointment of Mr. James E. Rogers as Interim Chancellor and the recommended employment agreement. Regent Howard seconded.

Chair Anthony invited Mr. Rogers to discuss his vision as Interim Chancellor.

Mr. Rogers said that education has become his passion. In 1989, he discovered that the University of Arizona's law school was in severe need of funds. During the past 15-16 years, he has spent 30-40 hours/week working on various educational issues at various institutions. He has served on several college boards and feels that he knows what good colleges are and which have great potential. Mr. Rogers felt that UCCSN has great potential. Mr. Rogers has lived in Nevada for 51 years. In spite of donating substantial money and support to schools outside of Nevada, he considers the state his home. When he heard that Dr. Nichols was leaving he knew that he wanted to become involved. During the last 7-10 days he has established some very good relationships. He has spoken with all of the presidents. He has met with the faculty and believes they now understand that he is a big dreamer and that he believes the System is poised to do great things. He expressed total confidence in what will be done. He expressed the need for private funding, adding that no state legislature ever built a great college or university. He felt it was necessary for the state legislature to continue its support while UCCSN increases its community efforts to develop relationships that will enable great institutions. Mr. Rogers views this as an opportunity to participate with the Board to develop that potential. He said he would be honored to serve with the Board, adding that he supports people. He views the position of chancellor as one who supports the presidents and the faculty in order to support the students. Mr. Rogers said he wanted to continue to develop the System's potential.

4. Approved-Appointment, Interim Chancellor – (Cont'd.)

Regent Dondero asked whether Mr. Rogers would still be devoting the time supporting other institutions. Mr. Rogers replied that this job would be his first priority, adding that it was stipulated in the employment agreement. Mr. Rogers felt that those relationships were not only important for him but for UCCSN as well. He learns from what other colleges and universities do. He takes 13 college presidents and 8-9 law school deans on an annual fishing trip and intends to continue the practice only to the extent that it does not interfere with his duties in Nevada.

Regent Sisolak appreciated the time Mr. Rogers had taken to meet with Regents to answer questions. He hoped that Mr. Rogers was not having second thoughts and asked when Mr. Rogers would take office. Mr. Rogers asked when the Board wanted him. Chair Anthony said he would make that determination once the Board had reached a decision.

Regent Hill observed there had been some gossip about Mr. Rogers since the announcement of his interest in the position. He felt that it indicated that people are interested. Regent Hill said that he was pleased with Mr. Rogers' answers, adding that he wanted to provide an opportunity for Mr. Rogers to address some of the gossip. Regent Hill observed that the lobbying process in Carson City is a very complicated one. He asked about Mr. Rogers' philosophy and his plans to address the legislature. Mr. Rogers replied that he knows this state and the legislators as well as anyone. He felt that his reputation for integrity is very good. He related that he cannot tolerate liars or those who do something wrong and try to hide it. He felt that he can deal well with people, adding that he felt he is persuasive. As an accountant, he understands money, budgets, and revenue. He also has experience with the Idaho and Arizona legislatures. He said that he is a very hard worker and has already discussed budgets with some of the accounting personnel. He felt that he could get the job done.

Regent Hill related that Mr. Rogers' candidacy for this position had caused considerable distress among a number of people in the north who are concerned that Mr. Rogers will be a southern chancellor and not a chancellor for the whole System. Mr. Rogers said that he entertained that discussion with other Regents. He felt it was necessary for all parts of the puzzle to work. Without one element the others do not work. He did not view one institution or one section of the state as more important than another. He observed that Nevada had one college and university system that must grow in its entirety. He suggested that anytime the Board felt that he had slighted a portion of the state, they could notify him and he would not return. He said that his business associates would attest that this is how he operates.

Regent Hill asked how Mr. Rogers proposed to address having special roles with different institutions. Mr. Rogers replied that he had already started. He and Mr

Rogers would become the new Interim Chancellor.

Regent Howard thanked Mr. Rogers for taking the time to speak with each Board member, adding that it provided her the opportunity to get to know him and find out what he wants to do. She likes some of the things they discussed (i.e., support students, build community relationships). Regent Howard felt that private funding would be necessary to move the System forward and that Mr. Rogers would be very effective in that role. She did not believe the Board should criticize Mr. Rogers if he fails in his fundraising efforts. She said that Mr. Rogers had demonstrated that he truly cares about higher education by reaching out to other states. She noted that Mr. Rogers would now have 13 bosses. Mr. Rogers said that he understands corporate structure and what it takes to be a boss. He did not think he would have any problems with having 13 bosses. He acknowledged that he and the Board may discuss things and that they might argue heatedly. He said that once the Board voted it would be the end of the subject. He said the Board would set his course and that he would fulfill it. He did not want the

4. Approved-Appointment, Interim Chancellor – (Cont'd.)

Regent Sisolak said there was some concern about accessibility for all media outlets with Mr





President Harter introduced Dean Howard Landesman, D.D.S., M.Ed., University of Colorado Health Sciences Center.

Dean Landesman stated that one should not be a school dean if they do not form public-private partnerships and are unable to raise private funds. The University of Colorado's School of Dentistry's mission is to develop strategies which lead to comprehensive change. Those changes will be broad in scope and deep in impact. The school has been able to accomplish many of those changes within 5 years. Research funding has increased from approximately \$500,000 to \$5 million. The university has entered into the first public-private partnership with OEC and is now building a new School of Dentistry without the use of any taxpayer funds. In a troubled economy, where states have reduced their funding, it is critical that private money is brought into universities to supplement the money provided by the state. Dean Landesman said that he had not attempted to destroy orthodontics as a result of this venture. He felt that higher education was in deep trouble in this economy without the formation of these public-private relationships. He reported that many feel that this is the most innovative and creative

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

partnership developed in the last 50 years. He related that the University of Colorado has total control of this program. Their agreement stipulates that the University of Colorado shall have sole control over setting its admissions criteria, the selection and retention of its faculty, the selection of its curriculum and the substance of each course, grading of students (to include OEC residents), decisions as to whether any student shall continue in the program, determination as to whether any student graduates from the program, and the selection of all vendors used.

Regent Dondero asked about the revenues generated being used for other programs. She asked whether the program generated revenues and whether those revenues would be solely under the control of UNLV. Dean Landesman replied that clinical revenues would be generated when students and faculty treat patients, which

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noted that UNLV was not trying to promote racial diversity but rather a benefit for certain scholarship recipients. He felt that the indemnity was included in the contract because the contract did set the university up for a lawsuit. He said the question was the policy: public university, competitive positions for a limited capacity, and a preference (or quota) for a private sector. He suggested the Board reject the contract.

Dr. Carey Noorda, orthodontist, thought the Board had decided to accept only the absolute best students it could get. He felt that the acceptance procedure outlined would not entail accepting the best students. After determining the basic criteria, OEC is allowed to handpick those students who are willing to sign a contract. He felt that acceptance should be based upon scholastic achievement, scholarship, class rank, board scores and not upon a student's willingness to sign the contract. He objected to this acceptance procedure. He asked why OEC felt it required such a coercive contract against their students and future employees, adding that his relationship with his employees was based upon mutual respect. He noted that this relationship would not work that way. He said that he had spoken with Dean Landesman about the contract and the dean did not know the specifics of the contract. Dr. Noorda said that he was not legally able to discuss the contract because the students are under a restraining order not to disclose that information. He found the numbers atrocious. Colorado's tuition is \$10,000/year. The debt a student will incur by going through this program is an outstanding number if the student does not want to practice for OEC. He asked whether any OEC representatives would be willing to discuss those figures. He said that he vehemently disagreed with this kind of a program, adding that orthodontists wanted an orthodontic program. He said that he was elated when he initially heard about an orthodontic program, but he does not want to have anything to do with this particular program. He felt it was unfair to the students and to the university, adding that it was not a scholarship. He said it was not based upon scholarship and it was not a gift, but rather bait for the university and for the students.

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

Dr. Mark Truman, a recent orthodontic graduate from UCLA, called attention to the psychology of the students applying for these programs. He explained that the admissions process was typically a match process like a medical residency. The schools interview the applicants. Applicants are ranked and then assigned to a school. If they do not wish to attend that particular school, they must wait a year for another opportunity. He related that the Jacksonville system did not participate in the match program. They accepted applications beyond the match day. Those applicants who were not able to get in through the regular match system were allowed to apply to the Jacksonville program. These students are intelligent and understand something about money. The most desirable spots in this program were not the scholarship seats. The desirable spots were not part of the contract arrangement. Those who did not make the cut were devastated. Some students viewed Jacksonville as a course of last resort. He felt the program is really two-tiered with the contracted students locked in from the first day coexisting with those students who are free to establish their practices where they choose to live.

Dr. Richard Fry, a Las Vegas orthodontist, said he has been pleased to have UNLV dental students rotate through his office. He said the Board has a tremendous credibility problem with the dental community and the dental school. He said the contract and the program enabled Orthodontic Centers of America to not have to compete for orthodontists in the broad spectrum of the population. They want a captive group of graduates that they can control. He strongly urged the Board to review the contract that the students are asked to sign, adding that the Board is a partner to this process. He said the Board was unaware of what the students were signing for, what their obligations are, and what their indebtedness will be if they leave the contract. He felt the Board should examine the issue from every aspect. He said that these young people are desperate for money, adding that orthodontic education is incredibly expensive and it appears appealing to have someone pay your way through the program. He said the Board needed to know exactly what the obligations are when students leave the program before making a decision.

Mr. Don Snyder, UNLV Foundation Board of Trustees member, said he was confused by the level of concern expressed. He did that the contractually

urged the Board to support the program, adding that if there were legal technicalities they could be dealt with.

Regent Dondero asked whether the Board would review the student contract. President Harter replied they would not since it is a proprietary agreement between the student and the corporation. She noted that the students are licensed dentists, none younger than 25, who are able to read the contract and decide for themselves whether or not to enter into it. She said it was not part of the Board's responsibility to review that contract. She said it was between the student and the company, adding that the student has every right to decline the offer if they reject the terms.

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

Regent Hill asked about financial projections. President Harter replied that they had that information available, adding that it could be provided. Regent Hill felt it was absolutely essential for the Board to have the financial issues presented.

Regent Sisolak noted a point of clarification, stating that he thought that information was included in the material provided 10 days previously. President Harter stated that the figures were included in the original presentation. Regent Sisolak said the agenda material had not included the financial information. Chair Anthony asked Provost Alden to provide the information.

Provost Alden said that UNLV had calculated a 30-year projection, which had been reviewed to ensure compliance with UNLV business practices. Provost Alden said he would review the options that would occur over time. The worst-case option would be if the OEC model failed and went out of business after the program has started. Provost Alden stated that once the initial \$3.5 million commitment was realized and endowed, the tuition fees, endowment income, and clinic revenues would provide enough of a buffer (approximately \$134,000/year) to cover contingencies. He said the program could continue academically with the available revenues. He related that financial aid for Nevadans would be discontinued under this scenario. The best-case option after the first class has graduated would yield a net income over \$250,000 in addition to \$500,000 available for a contingency fund that would transfer to the endowment at the end of the year if it were not used. He related that this buffer could be used for equipment failures or unusual costs in any given year. He said it was likely the money would go into the endowment to help build the endowment income.

Regent Howard left the meeting.

Provost Alden related that once the model proves to be reasonable and sufficient funds have been accumulated in the endowment, Phase II programs would begin (starting other advanced dental education programs), building out the remaining 50,000-sq. ft. facility. He said this was an extremely conservative model compared with those at Colorado and Jacksonville (handout #5 on file in the Board office).

Regent Hill asked Mr. Christiansen to clarify certain modifications. He noted a provision on page 7 where the word "matriculation" was used in the last sentence: "If the OEC fellowships are not filled at least 30 days prior to matriculation, UNLV reserves the right to fill the positions up to the approved enrollment limits of the program." Regent Hill suggested the following amendment: "For the purposes of this agreement only, matriculation is defined as the date of the first letter of acceptance or other notice of acceptance sent out by the UNLV dental school." Regent Hill explained that he wanted to avoid a situation where UNLV was sending out acceptance letters with less than eight OEC fellows, and OEC was able to recruit additional candidates. He said he wanted a drop-dead cutoff date. Mr. Christiansen said that it was acceptable to OEC. The only modification he suggested was to the window of opportunity for OEC to try to fill seats that were not initially accepted by UNLV. That date would need to change to 30 days \_\_\_\_ matriculation. Regent Hill said he had a problem with that. He felt that once the letters of acceptance were sent

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

there should be no more recruiting for OEC. He did not want OEC to approach students and offer the vacant seats by signing the contract. Mr. Christiansen replied that if that was the model employed by the University of Colorado there should be no problem. He said that OEC did not want to be in a position where they could not

recruit prior to students being accepted. Regent Hill recommended that the second modification prevent UNLV  
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incorporate Regent Hill's requests. Regent Sisolak referred to Reference B, page 6 of 23, contract 2. He noted that the university would first make a list of all people who will be eligible. Mr. Christiansen stated that Regent Sisolak was not looking at the contract, but rather at reference material provided by staff. Regent Sisolak observed that the second step involved scholarship selection with OEC providing UNLV with a list of persons who would be qualified for a scholarship with OEC. He noted that UNLV would then become aware of who was on that list. He observed that the third step involved final determination with selection from the list for the slots. He said this was not a blind procedure. Mr. Christiansen replied that was true only if one presupposed that admissions faculty would give more weight to an OEC scholar/fellow.

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

He said the contract stipulated that if OEC was unable to bring qualified fellows that UNLV could fill the slots with non-OEC applicants. Regent Sisolak agreed, noting that the students were preliminarily qualified in the first step of the process.

Regent Sisolak asked about the size of the starting class. Mr. Christiansen replied there would be sixteen seats. Regent Sisolak asked when it would increase to twenty-four. Mr. Christiansen said that it could increase to twenty-four after the 3<sup>rd</sup> year. Regent Sisolak asked whether it must increase after the third year. President Harter and Mr. Christiansen said there was no obligation to increase class size. Regent Sisolak asked about the outcome if only sixteen seats were offered after the third year. Mr. Christiansen replied that OEC would have the ability to fill eight seats if they located UNLV-qualified candidates, and there would be eight non-OEC seats. Regent Sisolak asked where that was stipulated, noting that page 7, line 2 of the second contract stated that OEC would provide up to twelve OEC scholarships at the beginning of the third entering class, with no mention of program expansion. Mr. Christiansen referred to the final contract, section 3.2, page 7, which stated that “ if OEC fellowships are not filled at least 30 days prior to matriculation, UNLV reserves the right to fill the positions up to the approved enrollment limits of the program.” He noted that it would be changed to read “30 days after matriculation” . Regent Sisolak stated that OEC would provide an OEC scholarship to up to twelve residents beginning with the third entering class. Mr. Christiansen replied that would occur only if the program was expanded to twenty-four people. Regent Sisolak asked where that was stipulated. Mr. Christiansen was unable to identify the location in the contract. Regent Sisolak said he wanted to know where UNLV had to expand from 16 to 24. He felt that OEC would receive 12 seats in the third year even if the program was not expanded. President Harter explained that UNLV would need to receive accreditation to expand the program to twenty-four. Regent Sisolak asked about the consequences if the program was not expanded. President Harter replied that UNLV would simply not fill the slots. Regent Sisolak stated that OEC would receive 8 out of 16 seats in the second year. If the program is not expanded, he contended that OEC would receive 12 out of 16 seats. Mr. Christiansen related that OEC would only get 12 seats if the program expanded. Regent Sisolak requested General Counsel Ray's assistance. Mr. Christiansen related that UNLV's obligations were outlined on page 4 of contract 2. The contract stipulated there would be 16 residents. UNLV will use reasonable efforts to promote the program and to obtain accreditation, which presupposed that the American Dental Association would need to return and allow for more seats in order for the program to expand. Regent Sisolak stated that the third contract indicated that OEC would receive 12 slots in the third year. President Harter agreed that OEC would receive 12 seats at that point in time, adding that UNLV would seek to expand the program from 16 to 24. Regent Sisolak observed that the contract did not address that. President Harter agreed that the contract was silent. Regent Sisolak summarized that OEC would receive 8 of the 16 slots in years 1 and 2 and would receive 12 in the 3<sup>rd</sup> year. President Harter said that was based on the assumption that UNLV would get a minimum of 4 seats if the program were not expanded. She said it was UNLV's expectation to expand the program at that point.

5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

Regent Rosenberg noted a point of clarification, asking whether OEC would still receive 12 slots (and UNLV 4) even if the program was not expanded. President Harter replied that they would, adding that UNLV was planning to expand the program.

Chair Anthony asked whether Regent Sisolak wanted to request an amendment to the motion to mandate that 12

seats would only be offered if the program was expanded. Regent Sisolak felt OEC slots should remain at 8 unless they request Board permission for more seats if the program is expanded. Chair Anthony said that Regent Sisolak would need to ask the maker of the motion to amend the motion. Regent Sisolak said he still had more questions.

Regent Sisolak then discussed the non-compete clause (contract #2, page 11). He observed that UNLV would be hiring local orthodontists as faculty. He asked about the outcome if one of them donated a practice to the Foundation. President Harter replied that they had not done that thus far. Regent Sisolak said that a practice could not be donated. President Harter replied that they could donate a practice, adding that one had not been donated thus far. Regent Sisolak observed that if a practice were located within 10 miles of any clinic that OEC owns it could not be donated to UNLV. President Harter replied that UNLV could not own a competing business, but felt that if an orthodontic clinic were donated they would work to integrate it into the program in a non-competitive format. Regent Sisolak stated that it could not compete with an OEC clinic. Mr. Christiansen clarified that a clinic operated for the purpose of educating residents in the program would be allowed. Regent Sisolak asked whether OEC would accept an amendment to retain the 8 OEC seats. President Harter did not believe that they would accept that amendment, adding that the business plan was based upon 8/8 and 12/4 with the understanding that UNLV would move forward with the accrediting body to increase the program size. She reminded the Board that any slot (of the 16) that was not filled by OEC residents would be filled with other qualified candidates. Regent Sisolak observed that OEC could own three-fourths of the program if program expansion was not accredited. President Harter explained that it was a privately funded venture, agreeing that it could very well happen. She observed that without their commitment UNLV would have no orthodontic residency or seats for anyone. Regent Sisolak established for the record that after 3 years it was certain they would get 75% of the slots, while it was uncertain how many slots would be offered. President Harter said it would be a maximum of 75%.

Regent Derby stated that public-private partnerships are the wave of the future, without which UCCSN would not have programs such as the orthodontic residency. She felt it was naïve to expect that any kind of partnership would not have benefits for each side. Private interests that put forth money are interested in some benefit to themselves, just as public enterprise is interested in benefits for themselves. She appreciated the due diligence the Board had taken in this matter. She felt the arrangement was a great benefit to UNLV and to the community. She noted that thousands of people would have access to a specialty kind of dental care that they would not otherwise have. She felt it was important not to overlook this benefit. She noted there were other benefits that would accrue to UNLV over a period of many years that would benefit this and other specialty programs. She felt the Board should not forget that there are many universities lined up

##### 5. Approved-Orthodontic Residency Program, UNLV – (Cont'd.)

that would be very interested in such an opportunity. Regent Derby asked the chancellor's opinion.

Chancellor Rogers said that it broke his heart to listen to the discussion, adding that this is a good program. He said that nothing was perfect in this world. He said that if the Board killed this program they would make it very difficult for him to do the things that he wanted to do and for the presidents to develop other public-private partnerships. He said he had not seen an alternative to this offer. He noticed the local orthodontists had complained about the program but had not offered any alternatives. He noted that Regent Sisolak had not proposed an alternative to the program. He asked to discuss the problem of "indentured servitude". Chancellor Rogers said he had read the contract very carefully and had analyzed it. The amount of money these individuals will be making is not exactly chickenfeed. He said he has a cousin who is a board-certified internist, cardiologist, and anesthesiologist who attended Duke medical school. He was put through medical school by the Navy. His agreement with the Navy did not provide that he would be making \$250,000/year for six years after getting out of medical school. It provided that he would make the income of a lieutenant commander (\$70,000/year). It did not require nor allow him to pick the place where he would serve the six years(indentured servitude) to repay what the government had paid for his education. He did not agree with the reference to indentured servitude, adding that there are no free rides in this world. He said the program may not be perfect, adding that nothing was. He observed that UNLV is not putting up any money for this and that OEC must be given something in return. He said UCCSN was gambling that OEC could end up with two-thirds or



three-fourths of the total enrollment after the third year if UNLV is unable to expand the program. He noted that there would be no seats available in the third year if the Board voted against the proposal rather than four seats if

7. New Business – None.

The meeting adjourned at 12:31 p.m.