BOARD OF REGENTS

NEVADA SYSTEM OF HIGHER EDUCATION Jot Travis Student Union, Audis$Tdd

Interim President Crowley reported the estimated start time of the UNR basketball game was 12:00 noon, noting a large screen television set was available in room 244.

The meeting recessed at 8:55 a.m. (for committee meetings) and reconvened at 1:10 p.m., on Thursday, March 16, 2006, with all members present except Regents Derby, Hill, Leavitt, and Schofield.

1. Introductions ï (Cont'd.)
WNCC President, Dr. Carol Lucey, introduced the Student Government Chair and Vice Chair of WNCCôs Fallon Campus, Ms. Cordi Freeland and Ms. Hazel Halbert. President Lucey then introduced Mr. Arnel Pascua, Vice President, Finance and Administrative Services-WNCC.

Regent Hill entered the meeting.

3. Public Comment ï Dr. Richard Siegel, President, American Civil Liberties Union of Nevada, and Professor Emeritus, Political Science-UNR, asked whether he would be allowed to comment on the agenda item concerning University Admission Criteria when the Board considered that item for discussion. Chair Whipple asked Dr. Siegel to hold his comments until that item was up for discussion.

Ms. Paige Thie, American Civil Liberties Union of Nevada, reiterated her request that the issue of free speech zones be placed on the next Board agenda. She urged the Board to adopt a System-wide policy to ensure that each NSHE campus appropriately dispatch the First Amendment and the Nevada Constitution. She felt that NSHE should begin from the premise that all public areas, including non-sidewalks, parks, and campus streets are by default public forums. From this System-wide policy each school could then exempt

3. Public Comment ï (Cont'd.)
specific designated areas from the public forum for reasons such as public safety hazards or disruption to classroom education. She suggested the restrictions be narrowly defined and tailored to time, space, and manner. Ms. Thie stressed the importance of open debate in a classroom setting. The ACLU feels this should extend to the entire university and that institutions of higher learning should be a place for open and public debate, and not for specific areas where free speech is and is not allowed. Chair Whipple offered to discuss the matter with ACLU of Nevada Executive Director, Dr. Gary Peck.

In recognition of his last meeting as UNLV Student Body President, Mr. Peter Goatz thanked the Board for everything they have been doing. Mr. Goatz praised the building going on at UNLV, adding that it would change the community and hopefully make the institution more traditional. He urged the Board to move quickly in approving increased admissions standards, adding that students with whom he had spoken all favored the increased requirements. He noted that some students would like to have additional SAT and ACT criteria for those not performing as well in high school. He advocated for increased outreach to the high schools in Clark County. Mr. Goatz noted that UNLV had passed a resolution regarding textbooks. It is hoped that help will be provided in making textbooks more affordable.

Regent Leavitt entered the meeting.

Mr. Robert Metz, President, American Sports Academy, Inc., reported that his organization was proposing a $350 million Olympic sports training center to be located on a portion of the UNR Main Station Farm property. They expect to contribute approximately $35 million in addition to the rent on the property to UNR. The organization has committed to providing a new home and a new pool facility for the UNR swimming and diving team. The facility design has been rated as one of the best in the world and includes the ability to take the entire facility to sea level. An Olympic ice center is also proposed to include a sports medicine research facility. He asked the Board to consider the matter for the next Board agenda. The project will generate approximately $350-500 million in local revenue. Regent Wixom said it as an exciting program that raised a number of questions and opportunities. He noted that one issue would be ensuring the projectôs completion.

4. Presentation by Mayor Jim Gibson ï Nevada gubernatorial candidate, Henderson Mayor Jim Gibson, shared his vision for the future of education in Nevada and his commitment to improving education in Nevada (Ref. A on file in the Board office) .

Mayor Gibson reported that many of the stateôs challenges are linked to its involvement with education. He said that education is the key to success in a global marketplace, as well as the key to the future, the economy, and the quality of life. Mayor Gibson felt that success in life can be traced to education. He said he was very familiar with NSHE institutions since one of his sons attends UNLV, while another is in his first year at the School of Medicine in Reno. Three of his children have attended classes at CCSN and several have attended NSC. Mayor Gibson said that political equity and/or political capital needs to be applied to the benefit of the people, adding that he fought hard for the

4. Presentation by Mayor Jim Gibson ï (Cont'd.)
establishment of Nevada State College, feeling that it would directly improve the lives of Nevadans. He agreed that an additional avenue was necessary in order to produce a talented workforce, including teachers and nurses, while allowing UNR and UNLV to fulfill their missions in becoming research and doctoral granting institutions. The City of Henderson secured from the federal government a 550-acre parcel of land for the campus site. A unique piece of legislation was created granting that the property would flow to the state/City of Henderson for the benefit of the state college and its development and use. The City developed a plan for public/private partnership that will allow the state college to grow and mature much sooner as a campus community than has historically been accomplished. The land conveyed may be used for any purpose relating to the establishment, operation, growth, and maintenance of the college, and any uses relating to such purposes including residential and commercial development. The bill allows for leasing space for public interest and community service groups, in addition to valley-wide education and recreation programs. The plan allows the City to participate in the construction and operation of facilities on the campus site that have been conveyed for educational and recreational purposes.

Mayor Gibson said that Nevada must also serve as a welcoming beacon for those committed to life saving advances in research. As Nevadaôs next governor, he would aggressively advocate that Nevada make a long term commitment to cutting edge stem cell research, which could play a major role in developing an academic medical center. As someone dedicated to Nevadaôs future, Mayor Gibson was optimistic that this kind of research can transform Nevadaôs university System into a new and diversifying economic engine. Growing the medical school enrollments and direct involvement with hospitals is vital to Nevadaôs growing population.

Mayor Gibson acknowledged that NSHE is challenged by explosive growth and pledged his strong support for the following:

A commitment for increasing the percentage of formula funding for the System.

Support of the Boardôs efforts in increasing the admission standards, which will help place students where they have the best chance to succeed.

The state allocation must accommodate higher part-time salaries.

The use of unclaimed property taxes to develop an endowment to support research endeavors.

Affordable housing (for faculty and medical residents) as one of his top priorities.

Intensify efforts statewide on behalf of comprehensive high school reform.

Use of a retiree corps of seniors to tutor high school students in science, math, and engineering.

Mayor Gibson said the fundamental, overriding challenge the System must confront is increasing the quality of the public school system that produces the students who attend NSHE institutions. While the college going rate has increased and enrollments have doubled, less than half of those students graduate. An unacceptable number of Millennium scholars must take remedial courses. Students are arriving without the necessary skills to succeed in higher education. Nevadaôs special challenge is due in part to its pacesetting growth, the increasing diversity of the student population, and the

4. Presentation by Mayor Jim Gibson ï (Cont'd.)
willingness of qualified students to settle for initially well paying, but ultimately limiting jobs prevalent in

Nevadaôs economy. He noted that the greatest predictor of college success is the quality of course of study provided in high school. Mayor Gibson advocated for a full fledged commitment from the business community in order to improve education in Nevada. He encouraged the elimination of competition between K-12 and higher education. He advocated for a progressive higher education agenda that works with and not against K-12; structural reforms in the public schools; and creative collaborations among public schools, businesses, communities, and higher education institutions.

5. Approved-Consent Agenda ï The Board approved the Consent Agenda with the exception of items (3) (Tenure) , (6) (Handbook Revision, Host Accounts) , (7)(Handbook Revision, President Search Committee Membership) , and (8) (Handbook Revision, Intercollegiate Athletics Complimentary Ticket Policy, UNR) , which were approved separately:

(1) Approved-Minutes ï The Board approved the minutes from the special Board of Regentsô meeting held January 6, 2006.

(2) Approved-Appointment to WestEd Board of Directors ï The Board approved Board Chair Bret Whippleôs request for a three-year reappointment to the WestEd Board of Directors for Dr. William Sparkman, Dean, College of Education, UNR.

(4) Approved-Allocation of Grants-in-Aid, 2006-2007 ï The Board approved the recommended allocations of Grants-in-Aid for 2006-2007. Nevada Revised Statutes 396.540 provides for tuition waivers for students from other states and foreign countries based on 3% of each institutionôs fall headcount enrollment. Board policy provides an equal number of grants-in-aid for Nevada students and requires that the total number of grants-in-aid allocated to each NSHE institution be approved annually by the Board. The recommended allocations are for academic year 2006-2007 and represent the total number each institution could award. In all cases, funding is not sufficient to support the maximum allowable number of grants-in-aid:

	IN-STATE	OUT-OF-STATE
UNR	500	500
UNLV	855	855
NSC	47	47
CCSN	1,087	1,087
GBC	86	86
TMCC	361	361
WNCC	166	166

(5) Approved-Capital Improvement Fee Funds, CCSN ï The Board approved President Richard Carpenterôs request to spend $150,000 in Capital Improvement Fee funds for two projects that cannot be funded from other institutional funds (Ref. C-5 on file in the Board office) :

Boulder City Site renovation.
Mesquite Site furniture request.

5. Approved-Consent Agenda ï (Cont'd.)

(9) Approved-Resolution #06-04, Approval of Bank Financing and Follow-up to January Board Approval, UNLV ï The Board approved President Carol C. Harterôs request for a formal resolution to finalize bank financing up to the sum of $4,825,000, the proceeds of which will be used to fund the replacement of the chillers at the Thomas and Mack Center. The Board approved solicitation of this financing, up to the $4,825,000 limit, at the January 2006 meeting (Ref. C-9 on file in the Board office) .

Regent Anthony moved approval of the Consent Agenda with the exception of items (3) (Tenure) , (6) (Handbook Revision, Host Accounts) , (7) (Handbook Revision, President Search Committee Membership) , and (8) (Handbook Revision, Intercollegiate Athletics Complimentary Ticket Policy, UNR) . Regent Gallagher seconded. Motion carried. Regent Rosenberg abstained. Regents Derby and Schofield were absent.

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY:
(3) Approved-Tenure ï The Board approved the NSHE presidentsô recommendations for tenure for the following faculty members. Each applicant met the standards for tenure in the NSHE Code and was positively forwarded by his/her institution following a peer review process. TMCC requested the withdrawal of Ms. Karen Fontaineôs name at her request.

CCSN ï (Ref. C-3a on file in the Board office)
Mr. Levy C. Acosta, Jr. Mr. Mark Bird
Mr. Robert A. Bonora, Jr. Dr. Frederick Lee Conquest
Ms. Irene Coons Dr. William Eric Davis
Ms. Gail Flot Greenhouse Ms. Lupe Gomez Gunderson
Dr. Richard A. Howe Mr. Terry K. Jones
Mr. Mark E. Peplowski Mr. Stanley Walter Pinkos
Ms. Gail Ann Silva Ms. March Jean Sustarsic
Mr. Richard L. Williams Mr. John Ziebell
GBC ï (Ref. C-3b on file in the Board office)
Ms. Bonnie Hofland Mr. Doug Hogan
Dr. Margaret Puccinelli Dr. Gretchen Skivington
TMCC ï (Ref. C-3c on file in the Board office)
Ms. Elizabeth Baines Dr. Edmund Burke
Ms. Cheryl Cardoza Ms. Mai Anh Crowe
Dr. Julie Ellsworth Ms. Robin Griffin
Mr. Robert Lively Dr. Richard Waters

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY: (Cont'd.)
(3) Approved-Tenure ï (Cont'd.)
UNLV ï

Dr. Eric Marchand Dr. Richard Mason
Dr. Ron Mittler Dr. Klaus Moeltner
Dr. William J. Murphy Dr. Angela M. OôCallaghan
Ms. Tamara Scronce Dr. Gary Shen
Dr. David Ken Shintani Ms. JoAnne Skelly
WNCC ï (Ref. C-3f on file in the Board office)
Ms. Sharon Tetly Mr. Randy Naylor

Regent Sisolak said he did not feel qualified to vote on the matter.

Regent Hill moved approval of the recommendations for tenure. Regent Anthony seconded.

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY: (Cont'd.

Regent Dondero asked whether any left over funds could be designated for scholarships. Executive Vice Chancellor Klaich replied that unspent funds would revert back to Regents funds, since they are funded with non-state funds. They could carry forward or be designated for other purposes. He advised against a reversion.

Regent Howard asked whether a clear definition had been provided for the appropriate use of host funds. Executive Vice Chancellor Klaich replied that the host policy had been revised, adding that a copy would be provided to all Board members.

Regent Alden moved approval of the Handbook revision concerning host accounts. Regent Sisolak seconded. Motion carried. Regents Derby and Schofield were absent.

(7) Approved-Handbook Revision, President Search Committee Membership ï The Board approved a Code Amendment, (Title 2, Chapter 1, Section 1.5.4(a)) , to increase the membership of the President Search Committee from five to six members. The first hearing of this item occurred at the Boardôs special January 6, 2006 meeting (Ref. C-7 on file in the Board office) .

Regent Sisolak apologized, stating he had requested the removal of this item in error.

Regent Anthony moved approval of the Handbook revision concerning president search committee membership. Regent Whipple seconded. Motion carried. Regent Hill voted no. Regents Derby and Schofield were absent.

Regent Hill felt it was a very bad idea to move from an odd to an even number of participants. He suggested trying it for one time only on the UNR President Search to see how it would work. Chair Whipple observed that it was at Board discretion to appoint five or six members to such a committee.

Regent Rosenberg agreed with Regent Hill.

Regent Anthony asked whether this change would affect current or future searches. Executive Vice Chancellor Klaich replied that the amendment language was mandatory and indicated that a committee ñshallò be appointed. Actions of the Board typically become effective upon passage. He saw no reason to void action taken by a prior Chair and to appoint another member unless they chose to do so.

Regent Howard asked whether this change would only be employed one time for the UNR President Search Committee. Regent Sisolak explained that the change was now permanent. Executive Vice Chancellor Klaich explained that Regent Hill had previously suggested moving membership from five to six on a trial basis. This is not a trial run and

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY: (Cont'd.)
(7) Approved-Handbook Revision, President Search Committee Membership ï (Cont'd.)
now becomes a permanent change to the composition of presidential search committees from five to six members. Regent Howard asked why the Board would want an even number and whether there was an appetite for adding an alternate member to avoid the possibility for a tie vote. Executive Vice Chancellor Klaich replied that the motion was to take into account the growth of the Board over time. This particular Bylaw dates to a time when the Board had eleven members and no committee having more than a quorum of members. With the increase from eleven to thirteen members, the Board had the authority to add one more person without violating the quorum caution. Regent Howard said it did not make any sense to her. She questioned why the item was on the agenda if it was done solely for the UNR President Search Committee. Executive Vice Chancellor Klaich replied that it had been included on the agenda at the direction of the Board during the January 6th special meeting. He clarified this was the second reading of the proposed change. It could not be included for the January 2sole

Search Committee could be increased to six members at the discretion of the Board Chair.

Regent Sisolak moved approval to reconsider. Regent Howard seconded.

Regent Hill questioned the validity of limiting the number of Regents that can participate on a committee. Executive Vice Chancellor Klaich explained that a committee of seven would comprise a quorum of the Board. When a quorum of the Board is present in a meeting it equates to the full Board meeting. He clarified that for committees meeting off-cycle the agendas have been noticed as meetings of the full Board so that non-committee members can fully participate, short of voting. Agendas for committees meeting with the full Board (on-cycle) include footnotes indicating that all members can participate. He related that staff was attempting to comply with the strict requirements of the Nevada Open Meeting Law.

Regent Leavitt explained there had been great interest expressed for allowing as many Regents as possible to contribute to the important decision of selecting the presidents. He felt that allowing the greatest number of Regents to participate in this effort outweighed the negative of a possible tie vote. He felt that any tie vote should be considered by the full Board. He favored a more inclusive committee structure and expressed his support for the agenda item as written.

Regent Sisolak withdrew the motion to reconsider. Regent Howard withdrew the second.

CONSENT AGENDA ITEMS CONSIDERED SEPARATELY: (Cont'd.)

(8) Approved-Handbook Revision, Intercollegiate Athletics Complimentary Ticket Policy, UNR ï The Board approved Interim President Joseph Crowleyôs request for a revision to the Board of Regents Handbook (Title 4, Chapter 10, Section 21.2) , the NSHE Intercollegiate Athletics Complimentary Ticket Policy pertaining to UNR, as recommended in the departmentôs NSHE internal audit to clarify internal controls, require written approval to provide such tickets, simplify terms of the policy, change UNRôs ticket policy to mirror that of UNLVôs, which was approved at the January 2006 Board meeting (Ref. C-8 on file in the Board office).

Regent Alden moved approval of the Handbook revision concerning an intercollegiate athletics complimentary ticket policy. Regent Gallagher seconded. Motion carried. Regents Derby and Schofield were absent.

6. Approved-Resolution #06-05, President Emeritus Status and Regentsô Professor, UNLV The Board approved Chancellor James E. Rogersô recommendation, in accordance with Board policy (Title 4, Chapter 3, Section 20) , for approval of emeritus status and granting the title Regentsô Professor for Dr. Carol C. Harter, effective July 1, 2006 (Ref. B on file in the Board office) .

Regent Sisolak moved approval of granting emeritus status and the title Regentsô Professor to Dr. Carol C. Harter effective July 1, 2006. Regent Rosenberg seconded.

Regent Hill left the meeting.

Dr. Clint Richards, Faculty Senate Chair-UNLV, confirmed the UNLV faculty senateôs support of this item.

Upon a role call vote, the motion carried. Regents Dondero, Gallagher, Howard, Leavitt, Rosenberg, Sisolak, Whipple, Wixom, Alden, and Anthony voted yes. Regents Derby, Hill, and Schofield were absent.

Regent Hill entered the meeting.

Chair Whipple said he was impressed with President Harterôs dedication, adding that she has an undying love for her institution. He then presented President Harter with Resolution #06-05 (on file in the Board office) . President Harter thanked her husband, Dr. Michael Harter, her colleague presidents, and the Board for this honor.

6. Approved-Resolution #06-05, President Emeritus Status/Regentsô Professor, UNLV ï (Cont'd.)
Special Counsel Brooke Nielsen noted the intent to name the campus mall formerly known as the Academic Mall, Harter Square , upon the retirement of President Harter as president. She observed that approval of this naming recommendation would require waiver of provisions in the Procedures & Guidelines Manual(Chapter 1, Section 2.2.g) , which provides that a building cannot be named for current System employees. She requested that any motion made include a waiver of that portion of the policy.

Chair Whipple stated that naming the Academic Mall, located in the heart of the institution, would be an appropriate way to honor President Harter.

Regent Rosenberg related that he had received a number of contacts suggesting a preference for naming the classroom building in honor of President Harter as it does not yet have a name.

Mr. Frederick Krauss, President, GPSA-UNLV, proposed naming a building after President Harter instead of the Academic Mall. He related that the classroom building is actually the heart of UNLV and includes a teaching complex, an auditorium, and the classroom complex. He proposed naming it the Harter Classroom Complex . Mr. Peter Goatz, Student Body President-UNLV, agreed with the comments, noting the building had not been named in over ten years. He felt it was a great way to acknowledge President Harterôs achievement as UNLVôs longest serving president.

Regent Howard agreed with the previous comments, adding that she too had been contacted by several people concerned about honoring President Harter in a more visible manner with a building instead of the mall area.

Executive Vice Chancellor Klaich observed that the agenda had not provided adequate notice for naming a building, referring instead to open space. He suggested bringing a proposal for naming a building in honor of President Harter to a subsequent Board meeting. Regent Howard observed the agenda item title discussed a naming recommendation and asked whether it could be amended. Executive Vice Chancellor Klaich related that counsel advised the item was best deferred. Regent Howard asked whether the item could be withdrawn and brought forward at the next meeting. Executive Vice Chancellor Klaich replied that it could.

Regent Anthony recommended the item be withdrawn and brought back to the next meeting.

Regent Sisolak requested clarification regarding the Academic Mall area. Chair Whipple explained it was the grassy, square area in the middle of campus. Regent Sisolak asked whether something had been named for a young, deceased student. President Harter replied that the area outside the student union, in front of the alumni amphitheater, had been named for that student.

Regent Leavitt suggested the Board vote on this naming opportunity and if the Board determined an additional honor was warranted, they consider the matter at a separate

6. Approved-Resolution #06-05, President Emeritus Status/Regentsô Professor, UNLV ï (Cont'd.)
meeting. Regent Gallagher felt if there was an appetite to do something different it should be brought back to the full Board at another meeting.

Executive Vice Chancellor Klaich explained that the Chair separated the honorary titles and the naming opportunity. The Board approved the honorary titles. He related that action on the naming opportunity could be deferred to the next meeting.

The meeting recessed at 2:25 p.m. and reconvened at 2:55 p.m. with all members present except Regents Derby and Schofield.

7. Information Only-Presentation by Lieutenant Governor Lorraine Hunt - Lieutenant Governor Lorraine Hunt shared her vision for the future of education in Nevada and her commitment to improving education in Nevada.

and educators. Direct flights are now offered between Las Vegas and the Peoples Republic of China. The Reno-Tahoe airport has been established as a diversion airport when weather conditions in San Francisco prevent Air

handcuff the new president with extended, lengthy contracts, and that the new president should have some input. He noted that two years remain on the existing contract. He appreciated the lack of violations, the increased GPA, and the six Mountain West championships, but felt that, over the past few years, the basketball and football programs had not enjoyed the success anticipated by fans. He felt the action was premature, unfair to the incoming president, and that it would be a great misuse of funds if extended contracts had to be bought out.

Chancellor Rogers expressed a general principle for allowing the incoming president as much flexibility as possible. He observed that Mr. Hamrick has been with UNLV for two years and had done a great job. He said there is a constant feeling of unrest in the community for a positive change with the football and basketball programs. He admired Mr. Hamrickôs work in increasing the GPAôs, but felt the average citizen desires a winning team. He expressed his support for Mr. Hamrickôs program, citing Coach Kruger

commended Mr. Hamrick for the tremendous progress realized. He felt it was crucial to keep this focus in mind.

Regent Alden observed that the job of an athletic director for a Division I school is a very difficult job, requiring attention to balanced budgets, compliance, facilities, dwindling state funds, tuition and fee waiver issues, and

as an athletic director. Coach Ault had a successful 9-3 season, tying for the WAC conference championship, and winning a bowl game. Interim President Crowley recommended approval of the new contract, including a pay increase to $360,000/year, and a fairly common bonus structure. Interim President Crowley related the salary may seem high, but was not considered so in the highly competitive field of Division IA head football coaches.

Regent Gallagher moved approval of the UNR head football coachôs contract. Regent Anthony seconded.

Regent Sisolak recalled that, previously, UNRôs athletic director claimed that head coaches and athletic directors do not qualify for cost of living increases. He observed that

9. Approved-Head Football Coach Contract, UNR ï (Cont'd.)
the new contract included a cost of living increase. Executive Vice Chancellor Klaich agreed with Regent Sisolakôs recollection. Interim President Crowley did not recall that. Interim President Crowley clarified that all employees are eligible for a cost of living adjustment (COLA) . He could not think of any employees who were not provided a COLA. Regent Sisolak observed that the UNLV athletic directorôs contract salary included a COLA.

President Harter said these contracts are considered all inclusive. For example, Mr. Hamrickôs contract includes a $15,000 increment for each of the years of the contract, which becomes inclusive of COLA and merit. The employee signs the contract as inclusive of all aspects of the salary, which is then considered a closed contract. The COLA is not added to the contractual amount, it is included in the recommended increase. Executive Vice Chancellor Klaich asked whether that meant it was $4,000 plus $4,000 plus $7,000, for a total of $15,000. President Harter replied that the $15,000 included the COLA or merit he would have earned, which would have been less than $15,000. She clarified there was no COLA/Merit combination that totaled more than $15,000. Executive Vice Chancellor Klaich observed the UNLV athletic directorôs salary was increasing from $240,000 to $255,000 and asked whether there was a circumstance under which that salary would exceed $255,000. President Harter replied there was not.

Regent Sisolak observed that if the Legislature did not approve a COLA increase, employees did not receive one. The UNLV contract identifies $255,000, which includes COLA and merit. The UNR contract indicates $360,000 subject to COLA increases, which was not identical. He felt that if one received it, they all should. Interim President Crowley suggested it could be a simple matter of wording. The intention was for Coach Ault to receive COLA increases. Regent Sisolak observed that the UNLV athletic director would not receive such an increase. President Harter agreed, adding that was the contract that had been negotiated. Regent Sisolak recalled that UNRôs athletic director had claimed that employees at this level do not receive COLA. Interim President Crowley recalled a previous conversation regarding the UNR athletic directorôs contract recommendation, which included yearly $10,000 increases, which did not consider a combination of COLA and merit in excess of that amount. The new contract was crafted to remedy that situation. If the combination of merit and COLA is greater than the recommended figure, she would receive the additional money.

Executive Vice Chancellor Klaich wondered if the difference between the contracts was due to the recommendation for a flat salary for the duration of the four-year contract with a provision for COLA. Mr. Hamrickôs contract includes a built-in increase, which would be a logical reason not to include COLA and merit. Regent Sisolak asked about the amount of COLA recommended in the previous year. President Harter replied it was 2%. Executive Vice Chancellor Klaich replied it differed between the years of the biennium (2% and 4%) . Regent Sisolak asked how the recommendation would not exceed $10,000 on a $300,000 contract. Executive Vice Chancellor Klaich and Interim President Crowley replied that it would. Regent Sisolak said the contracts were written in a confusing manner.

9. Approved-Head Football Coach Contract, UNR ï (Cont'd.)
Chair Whipple expressed the Boardôs appreciation for his insight. He observed they are valid contracts, which have been accepted by all parties.

Motion carried. Regent Sisolak abstained. Regents Derby and Schofield were absent.

Regent Wixom observed that Regent Sisolak raised a legitimate argument and requested the issue be included on a future agenda. Chair Whipple agreed to consider the matter in the Budget & Finance Committee.

10. Approved-Regentsô Awards ï The Board approved the 2006 Distinguished Nevadan, Honorary Degree, and Regent Scholar recipients:

Regent Howard asked whether the Distinguished Nevadans would be voted upon separately. Chair Whipple replied that they would so each Regent could present their individual nomination. Regent Hill observed the Board could vote upon the nominations collectively. Chair Whipple agreed that they could. Regent Howard asked to discuss one nomination separately.

A. Distinguished Nevadans - Policy: Handbook, Title 4, Chapter 1, Section 14 (Ref. Eon file in the Board office) .
Mr. Walter Cuchine.

Regent Howard asked why Regent Derbyôs name was included on the top of the nomination form. She said she would not vote upon a matter that included an ethical problem. She felt there was an ethical issue with the words, "Jill Derby for Congress" included at the top of the nomination form. Regent Howard wondered whether Mr. Cuchine had contributed to Regent Derbyôs campaign. Secretary Dobyns explained that this nomination had been faxed to the Board office, while the other nominations had been submitted electronically. The document was scanned in order to provide electronic copies of all of the nominations on the Boardôs website. She related that she neglected to edit out the fax identifier information prior to scanning the document.

Regent Howard asked whether a public admission regarding not eliminating the fax identifier information would correct the ethical issue and objected to staff speaking on behalf of Regents. Chair Whipple observed that Regent Derby was absent. Regent Howard said she would not vote on a matter that was unethical. She objected to a Regent using their political fax machine to convey a Regent nomination.

Regent Rosenberg did not believe that ñCandidate for Congressò Derby had submitted the nomination, but rather that ñRegentò Derby had. He related that Regent Derby had known Mr. Cuchine for a long time. Mr. Cuchine has been one of the most valuable members of a rural community. At times when he was offered positions paying a great deal more money, he chose to remain in Eureka to provide a service that has brought a great deal of honor and notice to a very small community. He did not believe that Mr. Cuchine was connected with Regent Derbyôs campaign or beholden to Regent Derby. Regent Rosenberg wanted to avoid this nomination reflecting poorly on Mr. Cuchine.

10. Approved-Regentsô Awards ï (Cont'd.)
A. Distinguished Nevadans ï (Cont'd.)

Chair Whipple stated this was one area where Regents could do something unique, individual, nice, and good. He was attempting to allow each Regent the opportunity to present their respective nomination.

Regent Howard respected the fact that this person was likely a good person and deserving of the nomination. She said she was trying to protect the integrity of the process. She said it looked bad and felt the Board should be careful not to allow this kind of thing to happen. Regent Howard recalled a similar occurrence with a legislator using a campus fax machine to propose legislation for eliminating the Board of Regents. She felt that Regent Derby had been on the Board long enough to know better.

Regent Gallagher felt it would be a terrible injustice to vote against Mr. Cuchine because Regent Derby happens to be running for Congress. Mr. Cuchine has done a remarkable job in Eureka for a very long time.

Regent Gallagher moved approval of the nomination of Mr. Walter Cuchine for Distinguished Nevadan. Regent

Hill seconded.

Regent Howard said she was not voting against Mr. Cuchine and believed that he was worthy of the award. She asked how her concern could be addressed. Executive Vice Chancellor Klaich stated that Regent Howard had the right for the record to reflect the reason for her vote, which would not necessarily be against the individual, but rather against the process. He felt it would be sufficient for Regent Howard to clarify her remarks when she votes. Another option would be to abstain from voting and stating her reasons for abstaining. Regent Howard said she wanted to vote for this person, but was concerned how she could separate the two issues. Chair Whipple felt the matter had been clarified. Regent Howard felt there was something wrong with this and that it needed to be addressed. She suggested a future agenda item for informational purposes.

Regent Sisolak requested clarification of the editing process. Secretary Dobyns explained that when material is faxed to the Board office, staff removes the fax identifier information prior to releasing the document for mass distribution as reference material. Hundreds of documents were submitted for this agendaôs award recipients and tenure recommendations. This submission was not edited prior to release as reference material. Regent Sisolak said he would be more concerned if a Regent had used their position for political gain. He was even more concerned that documents were cleaned prior to release. He was concerned about creating suspicion regarding what content was edited from the documents. Executive Vice Chancellor Klaich said that Regent Sisolak expressed a legitimate concern. He promised more diligence on such matters in the future. He agreed that such documents should not be altered in any regard. Regent Sisolak stated for the record that he does not condone the doctoring or cleaning of public documents. Executive Vice Chancellor Klaich agreed it was a dangerous area.

board trustee, Mr. James McMillan.

Regent Howard moved approval of the nomination of Mrs. Marie E. Stever Daly McMillan for Distinguished Nevadan. Regent Dondero seconded. Motion carried. Regents Derby and Schofield were absent.

member of the Paiute tribe. She attended Douglas County schools and received a two-year degree from CCSN,

changing needs of Nevada.

Á small medical school with limited programs is not meeting and will not meet the needs of Nevada. While the primary care, rural health mission of UNSOM should continue to be a foundation, a new, expanded vision needs to be aggressively pursued: that of the University of Nevada Health Sciences Center.

The component parts of the University of Nevada Health Sciences Center: UNSOM and the other health professional schools need to collaboratively plan and grow as an integrated whole to meet the needs of the state.

Collaboration by the University of Nevada Health Sciences Center outsideof the University is also essential. The vision cannot be executed isolated from the larger community.

The starting point for a great Health Sciences Center is great people. Development of a more robust faculty should be the first priority.

NSHE will need to implement the vision of the University of Nevada Health Sciences Center through creative funding approaches to resource development and with help from the state, the business community, and the philanthropic community. Those stakeholders should expect and demand quality results and meaningful collaboration.

Mr. Hart related that Nevada should increase the size of its medical school class(suggested from 52 to 96) and increase the graduate medical education programs for residency and fellowship opportunities (suggested from 200 to 450) . Nevada should strengthen community relationships and partnerships to help meet the stateôs physician workforce needs. Significant increases in faculty will also be necessary(suggested from 200 to 500) . Similar efforts should be made with nursing and the other health professions. Initiating a School of Pharmacy is also recommended. Nevada has distinct public health needs with an aging and growing population.

13. Accepted-Planning for Health Sciences Center Report - (Cont'd.)

Mr. Hart reported that Nevadaôs School of Medicine ranks 101st out of 126 medical schools in research. Increased efforts in this area are recommended as research is also an economic development driver for the state.

Dean McDonald reported that Nevada has an existing effort and center of excellence in cancer treatment. Nevada has one of the lowest rates of prenatal care. Infectious disease microbial defense is another area of needed development. The stateôs economy could be drastically impacted if there was a pandemic or bioterrorist incident. UNSOM is part of a large consortium and NIH grant to study microbial defense and runs the state health laboratory. Healthy aging is another area of concern with a rapidly aging population. Nevada has a shortage of care providers for the aging population. An opportunity is present to partner with the Lou Ruvo Institute for Alzheimerôs and other neurodegenerative diseases. UNSOM has outreach across rural Nevada and is starting a rural residency program. Students will train in Las Vegas and enter rural communities for two of their three years of training. Molecular medicine and clinical and translational research have transformed medicine over the past decade. M odern molecular medicine focuses upon disease and molecular markers. Key points include the need to include community partners, we must be forward looking, and include areas in which we can have an impact M [illegible] for a great Health Scie [illegible] fi [illegible] me an [illegible] shortl educrwart iraer rugim [illegible] Mpd i lsahreeÅ

Mr

board for its health programs. He did not believe that Nevada needed to follow this model. At a minimum, he

about this project from the rest of the System budget. All of the other stakeholders mentioned have a stake in this, including a financial one. Staff is attempting to devise budgetary requests that indicate these are not in direct competition. He anticipated that others will come forward with contributions that would not normally be the case with university budgets.

Regarding other sources of potential revenue, President Harter noted that the City of Phoenix allocated $230 million to ASU for the creation of the Phoenix campus, which includes their partnership with the University of Arizona medical school; a fairly significant contribution from a city to a public university. She felt there were public and private entities that could assist with this project, including a separate bond issue.

part)) providing that the credit load necessary for an undergraduate student to be considered full-time at UNR, UNLV, and NSC may include, under certain circumstances, coursework concurrently taken at another NSHE institution (Ref. L on file in the Board office) .

Vice Chancellor Nichols reported this policy addresses problems faced by students attending courses at two different institutions while seeking the Millennium Scholarship,

15. Approved-Handbook Revision, Definition of Full-Time Undergraduate ï(Cont'd.)
federal financial aid or NCAA approval. The solution employs an existing method for federal financial aid of a consortium agreement between two institutions. Students taking courses at another institution are required to complete a form, which is approved by the university to enable the student to be considered full-time.

Regent Anthony moved approval of the Handbook revision concerning the definition of full-time undergraduate. Regent Gallagher seconded.

Regent Sisolak asked why this was not considered by the Student and Academic Affairs Committee. Vice Chancellor Nichols replied that Handbook revisions are normally considered by the full Board.

Motion carried.

16.

Ellis replied that the Davidson Academy staff has worked closely with UNRôs academic programs on every component and was confident they were not taking this issue lightly. The Academy recently provided a presentation to UNRôs undergraduate student government providing thoughtful questions and serious consideration for the students, as well as their academic and out of classroom experience. She was confident the Davidson Academy would monitor the situation closely, adding it was a strong partnership with UNR. She offered to provide more specific information to Board members. Regent Sisolak said he was not concerned with the Academy and asked what UNR was doing. He observed the students were at a vulnerable age. Vice President Ellis replied the partnership with the Academy begins when the student enters at age nine. They become familiar with the campus. UNR student services staff and the Academy staff help them to acclimate and mature socially as well as in the classroom. UNR will have a very assertive program with the Academy students and has also begun educating its own students about the presence of these younger scholars on campus. UNR will continue to encourage college students to act appropriately and to be welcoming. Regent Sisolak requested additional information. Vice President Ellis observed there were presently 9-17-year old students on the campuses and that it was not unusual. She said they work closely with the parents and the instructors. Regent Sisolak said he was most concerned about the younger students when they are not in the classroom.

Regent Wixom said he is a great supporter of the Academy. He then shared a personal experience concerning his 11-year old daughter accompanying her 20-year old sister to college. He asked whose responsibility it is to address the needs of the 11-year old. Vice President Ellis said that related to Regent Rosenbergôs question regarding who makes the decision whether a young scholar is enrolled in a specific class. She said the faculty member, the student, and the parents will meet to discuss that and consider the curriculum. Sometimes it is not appropriate.

Regent Howard said she would be monitoring the situation and asking questions to ensure these students are provided with a safe environment. She asked whether a child psychologist had been designated to work with the students and who is liable for the studentsô safety. Dr. John FemŬ! theetheild ents

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Regents Anthony, Derby, Howard, and Schofield were absent.

Regent Sisolak reported the Committee heard the following reports at the March 16th meeting:

19.

Nevada Regentsô Academic Advisor Awards.
Mr. Jason S. Cifra, CCSN.
Dr. Jay Larson, GBC.
Dr. John Coles, TMCC.
Ms. Sue Muller, WNCC.
Ms. Christine Mason, NSC.
Ms. Tara Hall, M.Ed., UNLV Undergraduate .
Dr. Patricia ñPatò A. Markos, UNLV Graduate .
Ms. Kristine K. Van Gorder, UNR Undergraduate .
Dr. Scott H. Slovic, UNR Graduate .

New Unit Proposals ï The Committee recommended approval of the following new unit proposals:
Center for Entrepreneurship, UNLV (Ref. SAA-5 on file in the Board office) .
Center for Information and Communication Technology, UNLV (Ref. SAA-6on file in the Board office) .
Arthur C. Clarke Center for Imagination and Opportunity, UNLV (Ref. SAA-7 on file in the Board office) .
Black Mountain Institute, UNLV (Ref. SAA-8 on file in the Board office) .

Regent Rosenberg moved approval of the Committee recommendations and acceptance of the report. Regent Alden seconded. Motion carried. Regents Derby, Howard, and Schofield were absent.

19. Approved-Budget & Finance Committee Recommendations ï (Cont'd.)

IFC Approval for Reallocation of New Space Funding for Utilities ï The Committee recommended approval for UNR to seek Interim Finance Committee authorization to reallocate funding within the operations & maintenance function to address a projected utility funding shortfall for fiscal year 2005-2006, subject to separate consideration of the Board (Ref. BF-5 on file in the Board office) .

Regent Sisolak explained they were considering Committee authorization to reallocate funding within the operations & maintenance function to address a projected utility shortfall for fiscal year 2005-2006. The Legislature allocated money for UNR to buy a building (the Luce Produce Company building) . When this money was allocated, funds were

19. Approved-Budget & Finance Committee Recommendations ï (Cont'd.)
also allocated for the operating and maintenance of that building. The building was not purchased. UNR is experiencing a shortfall in the utilities function. UNR proposes to use the operating & maintenance funds to offset the shortfall in utilities. Regent Sisolak observed that the other campuses are also experiencing utility shortfalls and did not have this option. He asked the full Board to address the matter.

Mr. Ron Zurek, Vice President, Administration and Finance-UNR, agreed with Regent Sisolakôs summary. UNR has discussed this matter with the Legislative Counsel Bureau and LCB has been supportive of it, pending Board approval. The funds will remain within the physical plant function of the university and will be used to cover operating and maintenance expenses. No attempt was being made to reallocate appropriated funds out of the area to which it was appropriated. He agreed the money was originally assigned to a new building that UNR was unable to obtain. If the money is not used for this purpose, it will revert to the state general fund.

Interim President Crowley stated the funds had been appropriated to the university. If a similar sum had been received for a facility already owned or under construction by UNR and there was a construction delay, the money would remain with the university for use as best determined by the institution and could have been applied to the utility problem. A hiring freeze has been declared due to the utility shortfall. He said that applying the appropriated funds to the utility shortfall would improve the universityôs ability to fill critical positions which have been put on hold. He understood that the other institutions might not have this kind of money. When problems are encountered with utilities, the money must be located somewhere in the appropriation. He felt this was a useful expenditure of the appropriation.

Chancellor Rogers said he was uncomfortable with doing anything that would cause the Legislature to think the System is playing games. If UNR follows the proper procedures for requesting authorization to expend these

funds, he did not foresee a problem. He was concerned that inappropriate behavior would taint the entire System. He advised Interim President Crowley to fully disclose the use of the funds and to get everyoneôs blessing.

Interim President Crowley stated that he would never approach the IFC with such a request if he felt there was a risk for retribution. He said they would do it openly and that it would depend upon whether the IFC felt it was an appropriate request. He felt it was an appropriate request and that UNRôs chances for approval were good.

Regent Sisolak observed that utility shortfall is a major issue for all of the campuses. He was concerned about the appearance. He would prefer approaching the Legislature, notifying them about all of the campusesô utility shortfalls, and making a request for emergency funding. He felt UNRôs proposal was a backdoor approach.

Regent Gallagher disagreed with Regent Sisolak and agreed with Interim President Crowley. She felt that making a request to the IFC was the appropriate method. She felt it was foolish not to make the request and allow the funds to revert back to the state.

Regent Anthony said that he expects the Presidents to pay attention to what is transpiring during these committee/task force meetings. A lot of ground was covered under the assumption that the Presidents were paying attention when it suddenly became apparent there had been a disconnect. He was very annoyed. Executive Vice Chancellor Klaich has assured Regent Anthony that the project will be brought back on schedule.

Executive Vice Chancellor Klaich said he would rely upon Vice Chancellor Alleyôs expertise and assured the Board there would be no further disconnects or communications problems.

Motion carried. Regents Alden, Derby, Howard, and Schofield were absent.

Minutes ï The committees recommended approval of the minutes from the January 20, 2006 Committee meeting.

President Leadership Statement, Advertisement, and Related Materials ï The committees recommended approval of the leadership prospectus for the UNR President search.

Regent Anthony moved approval of the Committee recommendations and acceptance of the report. Regent Alden seconded. Motion carried. Regents Derby, Howard, and Schofield were absent.

Regent Sisolak left the meeting.

25. Approved-Board Development Committee Recommendations - Chair James Dean Leavitt reported the Board Development Committee met March 17, 2006 and had the following discussions:

The Committee discussed the current status of evaluating the Chancellor and recommended the evaluation begin by the Board Chair in March, with the public portion of the evaluation to be held at the June meeting.

A discussion was held regarding an annual Board Development workshop to be held each year approximately 60 days following the June meeting. For 2006, the Committee discussed having the workshop August 3-4, possibly at the Stan Fulton Building to keep costs down.

The Committee also discussed possible topics for the workshop including holding a policy summit, setting Board goals, and evaluating Regents. Vice Chancellor Jane Nichols will present a report at the next meeting addressing how other governing boards deal with these particular issues.

The Committee discussed scheduling Board Development meetings on the second day of Board meetings.

Regent Leavitt moved acceptance of the report. Regent Rosenberg seconded. Motion carried. Regents Derby, Howard, Schofield, and Sisolak were absent.

26. Approved-Handbook Revision, Peer Evaluation Action by a President ï The Board approved the UNR Faculty Senateôs request for a proposed amendment to Board policy regarding actions to be taken when faculty request a peer evaluation(Title 4, Chapter 3, Section 4) and that peer evaluation results in a recommendation to change the evaluation (Ref. N on file in the Board office) .

Dr. Leah Wilds, Faculty Senate Chair-UNR, reported that under existingHandbook language, a faculty member may challenge his/her annual evaluation by undergoing a peer review process, which includes a formal and systematic assessment of oneôs performance over the previous year by a panel of oneôs peers. The end result may be a different evaluation recommendation from the one originally given. Both evaluations then become part of the permanent personnel record. There is no provision for a final evaluation outcome to be determined. The proposed revision permits a President to make that determination so that merit can be assigned as appropriate.

Regent Alden asked whether all faculty senates were in agreement. Dr. Wilds assured him they were. Regent Alden asked whether all of the Presidents were in agreement. Dr. Wilds replied she believed that they were.

Regent Alden moved approval of the Handbook revision concerning peer evaluation action by a President. Regent Anthony seconded. Motion carried. Regents Derby, Howard, Schofield, and Sisolak were absent.

Regent Sisolak entered the meeting.

27. Approved-Tuition and Fees, William S. Boyd School of Law, and UNLV School of Dental Medicine, 2007-2009 ï The Board approved President Carol C. Harterôs request for the fee structure of the 2007-2009 biennial request for the William S. Boyd School of Law and UNLV School of Dental Medicine; and changes to the NSHE Procedures and Guidelines Manual (Chapter 7, Sections 3(A), (B), and 4(A)) , as first heard at the Boardôs January 2006 meeting. The requested changes include a 10% increase for the School of Law in FY08, followed by an additional 5% increase in FY09, and no changes in the School of Dental Medicine fees (Ref. P on file in the Board office) .

Regent Alden moved approval of the tuition and fees for the UNLV William S. Boyd School of Law and UNLV School of Dental Medicine for 2007-2009. Regent Anthony seconded.

President Harter reported the law school was requesting two incremental changes(10%-first year; 5%-second year) and the dental school was not requesting any increase.

Dean Richard Morgan, William S. Boyd School of Law-UNLV, recalled the Board had discussed this matter at its prior meeting. He felt the increase was well justified. The intent is to set aside 50% for access/need-based financial aid and 30% for faculty salary improvement.

Motion carried. Regents Derby, Howard, and Schofield were absent.

Dental Medicine, Engineering, Law, and Medicine effective July 1, 2006. They would be subject to re-

support up to the level of graduate tuition charged at UNLV ($9,700 maximum). Candidates must sign a contract to continue working at UNLV in exchange for the funds supporting his/her doctorate work.

31. Approved-School of Nursing, Faculty Doctoral Education Promotion Proposal, UNLV ï (Cont'd.)
Regent Leavitt moved approval of the UNLV School of Nursing faculty doctoral education promotion proposal. Regent Rosenberg seconded.

Regent Sisolak asked for an example of the ñotherò institutions. President Harter replied it would apply at an institution where the faculty member was pursuing a doctorate (i.e., out of state, online) . Faculty members must continue to teach at UNLV while they are pursuing the degree. She related there were only a few institutions offering a Ph.D. in nursing sciences. She said faculty could travel to those locations during summer or break periods. Regent Sisolak asked whether it would impact their attendance. President Harter replied that the contract included a clause for not negatively impacting their faculty responsibilities. Regent Sisolak asked whether the contract was included in the reference material. President Harter replied it was not.

Dr. Ray Alden, Provost-UNLV, replied that the contract would be written around the information in the faculty doctoral education program proposal and would specify that should someone not remain as UNLV faculty, they would repay the money as a loan. He related that approximately 43 states offer such programs where faculty agree to accept tuition in exchange for service in a critical-need area. UNLV is part of the Northwest Academic Forum, a consortium of a number of mountain west and northern-tiered states offering a NEON program

Regent Hill moved approval of the 2007-2009 tuition and fee increases.

Regent Sisolak noted a point of order, stating the item was listed as information only. Regent Gallagher observed it was an information/action item.

Regent Anthony seconded.

Regent Alden suggested separating out-of-state tuition from the vote and objected to increasing in-state tuition for Nevada residents by more than the cost of living(COLA) increase. He felt that out-of-state tuition rates were still reasonable. He expressed his opposition to the motion.

Ms. Rebecca Bevans, Student Body President, UNR-GSA, explained that graduate students understand the increases, but hope they will be held to a minimum. Only 25% of graduate students have assistantships, the rest will pay out of their pocket. Less than 31% of graduate students earn $15,000/year. The increase will discourage low-income students from attending, which in turn, hurts Nevada. She said that students were having a difficult time keeping pace. She asked the Board to consider keeping the increase to a minimum and providing more assistantships and grants to help offset the increase.

Mr. Lee Massey, Student Senator-TMCC, reported that students were not as concerned about the increase as they were about money not reverting to help the students who pay the fees. He asked what the tuition increase would be used for and whether the students would benefit. Chair Whipple said a copy of the budget would be provided to him by June. Mr. Massey expressed a preference for delaying action until the budget could be released and students could be notified.

Mr. Peter Goatz, Student Body President-UNLV, agreed with Regent Alden that in-state student tuition should not increase more than the rate of COLA and that out-of-state students should bear more of the burden. He was disappointed the agenda did not include an item considering the funding formula. He observed that out-of-state tuition goes directly to the general fund, while a portion of in-state tuition increases are retained by the institution. He said students want to see more of that money directed back to the university to address needs (i.e., advising services, enrollment services, parking) . He said it was difficult for students to bear any increase.

32. Approved-Tuition and Fee Increases, 2007-2009 ï (Cont'd.)
Mr. Jeff Champagne, Student Body President-UNR, echoed the previous comments. While students realize a tuition increase is necessary, lower in-state tuition is preferred and there are needs for student support services and faculty. He was hopeful they could discuss where the money would be directed. He said students would be very interested in being involved in the next legislative session.

Regent Dondero suggested holding the item until students understood the budget.

Regent Sisolak moved approval of tabling action on the item. Regent Rosenberg seconded. Upon a role call vote the motion failed. Regents Hill, Whipple, Wixom, Anthony, and Gallagher voted no. Regents Rosenberg, Sisolak, Alden, and Dondero voted yes. Regents Derby, Howard, Leavitt, and Schofield were absent.

Regent Dondero felt the students desired more information on the budget and a better understanding for the increase.

Regent Leavitt entered the meeting.

Regent Alden felt the item should be separated. He said this was a serious issue requiring a more developed planning process. He recommended the establishment of a permanent tuition and fee committee to meet once or twice per year. He said he objected to voting on in-state and out-of-state tuition simultaneously.

Executive Vice Chancellor Klaich reported that staff was following Board policy. The tuition committee

includes president and student representatives. Any allocations of the fee increase must be considered by the full Board. It is the Chancellorôs intent to support the highest allocation possible returned to the institutions.

Regent Rosenberg recalled a plan to increase tuition on a steady, incremental basis to reduce the impact to students. Vice Chancellor Nichols agreed. Prior to the mid-1990ôs, the Board raised tuition in a rather haphazard manner. Tuition increases could amount to as much as 25% following a sustained period of no increases. The Board adopted a policy for maintaining a low tuition and trying to set the tuition with a 3-year lag behind the median of the WICHE states. Staff agreed to bring recommendations every two years. The cost for higher education and tuition in other states has outpaced the COLA.

Regent Rosenberg recommended informing students where the money will go, contingent upon Board approval. The Legislature feels the students are not bearing their fair share of the burden when compared with other states. He said the money would be used for students.

Regent Sisolak expressed concern about in-state versus out-of-state rates. He felt that out-of-state rates could be further a

to request the funding of tuition waivers. If tuition waivers are funded, further withdrawals from the operating pool earnings will discontinue. At the January 2006 Board meeting, the Regents took action instructing the presidents of UNR, UNLV, CCSN, and WNCC to develop a plan for

33. Approved-Athletic Fee Waivers ï (Cont'd.)
funding athletic fee waivers at the community colleges. The aforementioned Presidents reported on the status of their development of such a plan.

Regent Anthony recalled that he and Regent Sisolak made the original motion, which was unanimously approved. He related that System staff did a good job researching the matter and providing a recommendation.

Regent Anthony moved approval of: 1) Effective immediately funds be taken from the investment operating pool to fund athletic fee waivers at WNCC and CCSN on a permanent basis; and 2) Every legislative session the System will request the Legislature to fund athletic fee waivers. If athletic fee waivers are eventually funded, the withdrawals from the investment operating pool will cease.

Regent Sisolak clarified the money would be taken from the earnings of the operating pool and seconded the motion.

Ms. Kathleen Payne, Director of Banking and Investments-System Administration, reported the operating pool currently totaled $300 million. Chair Whipple asked about the amount of interest income generated. Ms. Payne replied it had been earning 5 İ % - 7% per year. The operating reserve totaled $26 million. The Investment Committee recently agreed to use $15 million of this reserve for the ERP project, resulting in a remaining balance of $11 million.

Chair Whipple asked about the approximate annual deduction. Regent Sisolak replied it would be approximately $200,000/year.

Regent Sisolak asked when the motion would become effective. Regent Anthony requested that it become effective immediately so as to apply to the current academic year. Executive Vice Chancellor Klaich replied that it could. Chancellor Rogers stated that it should be effective immediately due to the shortfalls. Regent Sisolak said he had assumed the motion was retroactive to Fall 2005.

Regent Anthony clarified the motion, if approved, would be retroactive to the previous academic year, Fall 2005.

Executive Vice Chancellor Klaich asked whether the fee waivers/this allocation was in the amounts requested from the previous biennial budget that had been reported to the Board. Regent Sisolak said it was based on the figures brought forward by staff ($112,000 and $90,000) . Executive Vice Chancellor Klaich clarified that it was the amounts that had been previously discussed.

33. Approved-Athletic Fee Waivers ï (Cont'd.)
Regent Wixom observed that the State Senate made it clear that they did not support fee waivers at the community college level. Though the Board enthusiastically supports such fee waivers, it does not want to run afoul of legislative intent and must cooperate with the Legislature in order to achieve the Systemôs long-term goals.

Regent Sisolak recalled that CCSN had been receiving athletic fee waivers. When WNCC submitted a similar request for athletic fee waivers the Legislature not only denied the request, but also withdrew approval of CCSNôs athletic fee waivers as well.
Regent Sisolak clarified that the money under discussion is the interest derived from the operating pool, which is discretionary in nature. He felt there was a legislative appetite to fund fee waivers at some level. He was unsure whether funding athletic fee waivers for the community colleges would reduce the amounts allocated to the

universities.

in previously provided source material ($112,000 and $90,000) , with the assumption that in the next legislative session a request to fund future athletic fee waivers for the two community colleges be made a priority.

Regent Rosenberg proposed a friendly amendment to cap the request at $225,000.

Regent Sisolak said it was capped, but they did not know what the tuition increase would be. He suggested a $300,000 cap instead. Regent Anthony observed that a cap could not be employed because it would result in students being denied as tuition increases.

Regent Anthony restated the motion. He moved approval of: 1) Fund tuition waivers at CCSN and WNCC; 2) Tuition waivers to be funded at whatever they will be with a cap of $300,000; 3) This policy will be permanent; 4) Staff is directed to approach the Legislature every session to request

other funds to fund tuition waivers; 5) If tuition waivers are funded, the withdrawal from the operating pool will discontinue.

Regent Sisolak clarified that this applies to the current year as well as the following year.

Regent Anthony clarified there was no sunset clause and that it would continue until the Legislature funds athletic fee waivers. Regent Sisolak seconded the motion.

Regent Gallagher agreed with President Crowley that the Legislature would likely expect the System to fund additional fee waivers for other institutions from a similar source. She felt a stronger case could be made by approaching the Legislature with a request accompanied by students in the athletic programs. She felt this was a dangerous precedent. Regent Gallagher recalled a time when the Board refused to increase tuition and the Legislature deducted the difference from the System budget. She did not feel this was the proper way to achieve this goal.

Regent Anthony stated that such logic would dictate the Board could never spend money from the operating pool for fear of upsetting the Legislature. If the Legislature does not fund the fee waiver request, the community

Capital market returns and valuations as of December 31, 2005.

Asset allocation and investment returns for the period ended December 31, 2005. Endowment investments returned 2.5% for the quarter (compared to the 2.1% benchmark) and 10.8% for the calendar year (compared to the 7.5% benchmark) . The total return for the pooled operating funds was 1.7% for the quarter (compared to the 1.6% benchmark) and 5.6% for the calendar year (compared to the 5.6% benchmark) .

The Committee reviewed their investment in TCW Value Opportunities L.P. and decided to keep this manager in their portfolio.

The Committee reviewed its current rebalancing policy and determined that where the quarterly

Understanding between the NSHE Board of Regents, Channel 5 Public Broadcasting, Inc. (KNPB) , and the Davidson Institute for Talent Development which, among other matters, cancels the Facility Use Agreement between KNPB and the University of Nevada, Reno so that the Davidson Academy may move into the second floor of the Channel 5 building.

Staff Support ï The Committee recommended approval of the hiring of an additional staff person with appropriate expertise in the property matters of the Committee.

Leasehold Estate, DRI ï The Committee recommended approval to allow Regency Auto Spa, Inc., lessee of property owned by DRI, located at 4590 Maryland Parkway, Las Vegas, Nevada, to obtain a loan on their leasehold estate of the property.

Regent Dondero moved approval of the Committee recommendations. Regent Anthony seconded.

Regent Hill asked about the Committeeôs discussion about the sale of the Mill and McCarran property. Chair Whipple replied that item would be considered separately since speakers were present to discuss the matter.

Chair Whipple praised the decision to hire an additional staff person to address property matters. He requested that the matter be more thoroughly discussed at the next meeting.

Motion carried. Regents Alden, Derby, Howard, Schofield, and Sisolak were absent.

The meeting recessed at 12:23 p.m. and reconvened at 12:30 p.m., on Friday, March 17, 2006, with all members present except Regents Alden, Derby, Howard, Schofield, and Sisolak.

34. Approved-Investment Committee Recommendations ï (Cont'd.)

Sale of Mill & McCarran Property, UNR ï The Committee discussed the sale of the Mill and McCarran property (Parcel 012-320-02) , totaling approximately 63.8 acres for $13.2 million and voted to table this item.

Regent Hill moved approval of the sale of land totaling approximately 60 acres to the Flood Control District for approximately $13.2 million subject to a $1/year leaseback of the farms for 99 years. The Flood Control District can provide a minimum of one-year notice for the Agricultural Experiment Station to vacate the premise on the condition the property is necessary for the flood project and demolish the property. Regent Rosenberg seconded.

Ms. Naomi Duerr, Director, T

has a responsibility to provide the Cooperative Extension housing.

facilities are used in such a manner that people can be safe and the value of the facilities can be preserved. He asked that the discussion focus on what can be done to prevent or minimize the conduct and activities that give rise to the tragic events that have occurred in the past. Special Counsel Nielsen felt there was room to address the concern about violence. Events cannot be held (whether football or concerts) where the public is at risk of being involved in violence. She felt the Board should focus on what can be done to ensure that proper security is provided at all events. Perhaps addressing a performerôs prior history of violence can lead to proper steps that can be taken to prevent violence. She suggested the event center and facility mangers pose that question to all

walking to the library or their classes.

35. Information Only-Sponsoring Non-Educational Events that Advocate Violence ï (Cont'd.)

Mr. Allen Lichtenstein, General Counsel, ACLU of Nevada, did not object to the discussion of security issues. Relevant case law regarding banning or controlling particular content type is relatively clear. He said that a content-based prior restraint is not viable. He disagreed that speech containing an imminent threat or perceived imminent threat could be prohibited, but acknowledged that it can be punished. A prior restraint involving governmental approval to speak is the most blatant form of censorship and has only been upheld in rare circumstances. He felt the questions of security are being addressed at UNLV. There are other events that are more problematic. He said it did not relate to content, but rather to people obeying the law and ensuring that they do. Considering a performerôs background can easily be used as a pretext for determining a threat. He questioned whether Martin Luther King would have been allowed to speak with the current concerns for security. Charging certain performers more for security could create a problem in terms of censorship. He said the ACLU was willing to work on these issues, noting that it could not be based upon content or who the performer is.

Regent Dondero asked whether carrying a weapon limited someone from their own free speech. Mr. Lichtenstein said it would depend on the situation. Carrying a gun on an airplane is not allowed. Guns are not allowed in a courtroom. These are not related to content. The use of unloaded weapons in acts symbolically is protected speech because it is a symbolic message and not an actual threat. A line is drawn between speech and reasonable security. He acknowledged the issues are difficult. People advocating something very different from the mainstream is difficult.

Mr. Michael Higdon, UNR student, said he enjoys speaking and the ability to be offensive and not arrested. He