

UCCSN Board of Regents' Meeting Minutes June 4-5, 1987

06-04-1987

Pages 105-116

BOARD OF REGENTS

UNIVERSITY OF NEVADA SYSTEM

June 4, 1987

The Board of Regents met on the above date in Rooms 201-202,
Donald Moyer Student Union, University of Nevada, Las Vegas.

Members present: Mr. Daniel J. Klaich, Chairman

Mr. James Eardley

Mr. Joseph M. Foley

Mrs. Dorothy S. Gallagher

Mr. Chris Karamanos

Mrs. Joan Kenney

Mrs. Jo Ann Sheerin

Mrs. Carolyn M. Sparks

Mrs. June F. Whitley

Others present: Chancellor Mark H. Dawson

President William Berg, NNCC

President Anthony Calabro, WNCC

President Joseph Crowley, UNR

President John Gwaltney, TMCC

President Robert Maxson, UNLV

Mr. Donald Klasic, General Counsel

Dr. Warren Fox, Vice Chancellor

Ms. Mary Lou Moser, Secretary

The special meeting was called to order by Chairman Klaich at

9:20 A.M., on Thursday, June 4, 1987.

1. Denied Affiliation of Old College with the University of
Nevada System

Chairman Klaich stated the purpose of this special meeting was to discuss the affiliation of Old College with the University of Nevada System. On April 17, 1987 the Board of Regents met to consider a proposal from the Board of Trustees of Old College requesting affiliation of its schools of Law and Humanities with the University of Nevada System. Regents previously had asked the Chancellor's staff to examine the proposal and to prepare a background feasibility

report. He commended Chancellor Dawson and Vice Chancellor Fox for the comprehensive report distributed to the Regents prior to the meeting. Mr. Dawson clarified a statement in the report concerning the ability of UNS to incur debt.

Debt may be incurred providing the means by which that debt will be repaid is known. Chancellor Dawson stated that Vice Chancellor Fox had prepared the report, and had attended the accreditation meeting of the American Bar Association (ABA) in May when accreditation for Old College was being considered.

Vice Chancellor Fox reviewed the meeting and the report. He thanked Old College for its considerable participation cooperation in the preparation of the report. Further, he stated that this report reflects the thoughts of the Academic Council, the Presidents' Council and the members of the Chancellor's staff. Questions from the Regents concerning this issue also have been answered in this report. (See report filed in the Regents Office.)

Highlights of the report are:

1. UNS studies in 1973 and 1980 recommended a law school was not needed at that time.

2. UNLV's 1983 master plan included future establishment of a law school.

3. The 1973 report stated that a law school with less than 300 students is possible, but very expensive. In 1986 Old College had enrolled 153 students in the Fall and 133 students in the Spring semesters. The estimates for the number of students who might attend a law school in Nevada are 250 per year, once that school is under way.

4. The accreditation for a law school at Old College was denied, mainly because of the financial instability of Old College. However, the denial was not based on finances alone.

5. Old College is awaiting a report from the Northwest Accrediting Association, for accreditation of its Humanities programs. The preliminary report listed a number of strong points at Old College; however, the final decision will not be made until sometime in the Summer. If Old College does not receive accreditation at this time, it must wait 2 years to re-apply.

6. A Reno building located on Second Street and which houses Old College was donated by the Gannett Newspapers.

The original terms of the agreement state if the building is not used by Old College, it was to be sold with the proceeds to go to the School of Journalism at UNR.

Gannett has now verbally agreed that the building can be retained by Old College and sold to retire the debt.

7. An ABA survey shows the estimated annual cost of a law school with 200 students is \$2 million, for 500 students it is \$5 million, or an average of \$10,000 per student per year. In addition to student costs are the buildings, libraries, etc. Upon questioning by Chairman Klaich about the purposes for the building, Mr. Robert List, a member of the Board of Trustees for Old College, stated that at the time the gift was made, the building was appraised at \$5 million. Old College received a gift of \$1.3 million to make improvements; therefore, the building is now valued at \$6.3 million plus a law library with an estimated value of \$1.5 million.

8. Nevada has a number of students participating in the WICHE program, wherein those students go out of State

to law schools. The number of WICHE students from Nevada has been declining in the last few years, mainly because of rising costs. The demand of students wishing to participate in the WICHE program continues to climb but the State appropriation is not keeping up with the demand.

President Crowley stated he concurred in the findings of the report and the recommendations. He stated the Humanities program at Old College was excellent and UNR is interested in exploring whether those programs could be incorporated on its Campus.

Mr. List introduced the representatives of Old College present. They include Mr. Warren Nelson, Chairman of the Board of Trustees, Mr. John Flanagan and Mr. Bill Boyd, members of the Board, Dr. Alan De Giulio, President of Old College, Ms. Mary White Stewart, Dean of the School of Humanities, Mr. Felix Stumph, Dean of the School of Law, and Mr. John Mc Kissick, a student. Mr. List expressed thanks to the Board, the Chancellor, the Chancellor's staff and the Presidents for the time they have taken in the discussions on Old College.

Mr. List acknowledged that the debt at Old College is \$3.8 million. He stated that Old College feels that Nevada does need a law school and that enrollment would be approximately 240 students. Last year, 260 took the Nevada Bar Examination.

Mr. List related that there are two problems to be answered: one is finances and one is the time frame for planning the transfer of the School of Law to UNLV.

He stated accreditation has been more difficult and more costly than the Board had originally thought. A law school must be operating and prove the quality of its education before accreditation and students cannot practice law unless they graduate from an accredited law school. It is more difficult for a private law school to attain accreditation than a public school because of the finances; 72.4% of the Old College graduates last year passed the Bar Exam. The quality of the Board, the faculty and the students at Old College is very high. All members of the Board of Trustees are volunteers.

Mr. List stated that if half of the students attending out of State schools could be brought back to Nevada, they would

pay for the cost of the law school. He suggested leaving the law school in Reno for 1 to 2 years because there is a dedicated faculty and a number of students already in place, and it would provide those students continuity in finishing their law program. Problems he identified in the ABA accreditation denial almost all related to dollars: higher salaries for faculty and obtaining more senior faculty members. Mr. List discussed tuition costs in various law schools and, should UNS take over the law school, tuition charges would need to be raised. He suggested charging \$7000 per student next year, allowing 150 students to enroll at UNLV, and the following year approximately 200 students should be enrolled, thereby reducing the deficit every year through this raise in fees. In this manner, possibly within 3 to 5 years, the debt then could be erased.

Mr. List stated he recognized the timing problem involved in that Old College is requesting that UNS take over the program immediately and begin courses in the Fall. He also urged the Board to encourage Presidents Crowley and Maxson to bring these programs to the Board for implementation within that time frame.

Mr. List next discussed funding for the program and the

building. He suggested that UNS pay rent for its part of the building at \$300,000 per year, stating Old College would help to raise the funds for this rental. This would also give UNS the option to acquire the building at a future time.

Mrs. Sheerin questioned when Old College could reapply for ABA accreditation and was told that the earliest would be 10 months from April 23-24, 1987. It would also require an accreditation report and a visit to the school sometime in February, 1988.

Mr. Klaich asked if there was any relationship between the Northwest and the ABA accreditation processes, and about the fiscal note to accreditation. Dr. De Giulio related that the two are not connected and further stated that the real problem in the accreditation was that Old College did not have the financial stability needed or required by the ABA, but that a public school goes through its funding process by the State. Further, he related that the ABA report also stated that more space is needed for the law school, additional senior faculty should be acquired, additional library materials and a full-time placement director are needed, as well as higher salaries for their faculty.

Mr. Klaich was concerned about the ABA's comments on financial stability and questioned whether it would be the same with the State of Nevada pumping funds into Old College. Also, that there has been no support from the Governor, the Legislature, or the State Bar Association of Nevada for the System to acquire Old College. Mr. List replied that Old College has not gone to the State Bar for support at this time; however, its Board of Governors did give Old College a resolution of support. The Nevada Supreme Court has also given them support. The Governor in his Commencement speech this Spring encouraged the continued operation of Old College. As far as the Legislature is concerned, Lt. Governor Bob Miller and State Senator William Raggio are members of their Board of Trustees. Mr. List stated that he felt there was a great deal of support for the continuation of Old College. He further stated that they should have been before the Board of Regents a year ago, but did not realize the difficulty of acquiring accreditation from the ABA.

Mrs. Sheerin stated that these very problems are the reason UNS has such a stringent planning process for new programs. She stated that in the process, each Campus must include a budget for its program based on FTE funding, and explain how

a new program would affect other programs. She asked Dr. Fox what kind of State funding UNS could expect to receive from the Legislature. Dr. Fox replied that the funds necessary have not been calculated; however, State resources are tight and a law school would require a much lower student-faculty ratio than other programs.

Mr. Eardley questioned the UNS 1980 study wherein no law school was recommended and asked what had changed at this time. Dr. Fox replied that that 1980 report stated the State could benefit from a law school and the report only considered attendance of full-time students, not part-time students. Further, that report stated that the Board of Regents could at any time decide in favor of a law school.

Mr. Karamanos left the meeting at 11:35 A.M.

Dr. De Giulio stated that there are currently 2750 practitioners in the State of Nevada. About 1000 of those are inactive or are from out-of-state. Approximately 200 practitioners are added to the rolls each year.

Mr. Klaich questioned what changes had taken place between 1980 and 1987 that would now require a law school in the

State. Dr. De Giulio replied that the economics and population increases are the main reasons. Mr. Klaich further questioned whether, based on the material gathered to date, a need has been stated for a law school. Dr. Fox replied that only an in-depth study by UNS could probably truly determine such a need.

Mr. Klaich questioned whether some of our students in Nevada were not getting into law school. As nearly as can be determined all full-time students are now going out-of-state. A law school in Nevada would serve those students who wish to go on a part-time basis.

Mrs. Gallagher stated that this was the first legislative session where Legislators had not threatened to close the Medical School. Informal discussions concerning a law school were held with Legislators, but the concept was received with a less-than-enthusiastic response. She felt it would require a great deal of education within the State before UNS could take on a professional law school, and that the feelings within the Legislature would not be supportive of a law school at UNS at this time.

Mr. List replied that he understands the concern of the

Board, but feels that there is substantial support within the Legislature. He also stated there were substantial private dollars to be found for a law school in the form of an endowment, pledges for buildings, etc. Further, at this time, the Legislature has great respect for the Board and for its planning and accountability.

Mrs. Sparks stated that to take on a law school at this time would add a great burden for funding and great risks would have to be undertaken since these problems have not been worked out within the System. She was concerned that the respect for the Board would slip greatly if funding for another major professional school was requested.

Mr. Foley stated he has always favored a law school in Nevada and felt that the University needs additional professional programs. He further stated that tuition at other law schools is extremely high for out-of-state and felt that an in-state school could cut the costs for students. He estimated that 25% of the Mc George Law School class is from Nevada, and with a law school here most of those students might stay in the State. He stated he didn't think a law school in the System would cause any more problems with the Legislature than currently exists and that all of the

schools within UNS are growing and improving and the Campuses are in a constant effort to improve these programs. He urged the Board to look at this acceptance favorably, stating that it is a singular opportunity at this time to acquire Old College and that it would be more costly to begin a law school in a few years without the faculty and programs that would transfer from there.

Mrs. Whitley said she felt the Board had a responsibility to the State for the funding and for the students who wish to attend Nevada schools and urged favorable consideration.

Mrs. Kenney questioned how UNS would pay back the \$3.8 million debt which is outstanding. Mrs. Whitley stated she felt it would be up to the Administration and the staff to determine this pay-back arrangement.

Mr. List stated that it wasn't necessary to come up with \$3 million for the debt immediately, but that in the future UNS could buy the building which would clear that debt.

In response to Mr. Klaich's question of continuing expenses for Old College should UNS not make a decision at this meeting, Mr. Warren Nelson stated that Old College had reached

the end. It has borrowed from the bank and the ABA keeps raising the cost of accreditation and that they are facing a \$3.8 or a \$3.9 million debt. Mr. John Flanagan stated that Old College is prepared to go 30 days longer at the most.

In response to a question from Mrs. Sparks, Dr. De Giulio said that there could be no quick accreditation for a law school, that the transition from Old College would only lead to an accreditation request by UNS.

Mrs. Sheerin stated that she felt a planning study was needed before UNS could consider a law school and she was not advocating that UNS consider this particular law school.

Dr. Maxson stated that he felt no additional planning could be done before the June 30 deadline requested by Old College. UNLV would, at a later time, use the planning process already established within the System to bring forth a new program, he said.

Mr. Eardley questioned when the last time the Legislature had approved and funded new programs within the System. Dr. Crowley reported that start-up funds of \$300,000 for architecture and a Ph. D. in Biology at UNLV, are proposed from

Question 5 monies for new programs out of this Legislature, but the last direct appropriation for any new program was in 1977 when the Medical School expanded from 2 to 4 years.

Dr. Berg stated that new programs are a low priority with the Presidents, and that the current programs need additional funding and expansion. Mrs. Sheerin urged the Board to look at the whole picture of Old College and not just the funding.

Mrs. Sparks stated that she did not feel that it was really fair to students for the Board to have to take over Old College and pay increased tuition beyond the point of many other law schools. Mrs. Sheerin stated that she felt Old College was not charging \$8000 a year for student tuition, knowing full well they couldn't get it, but they are asking the Board of Regents to do so. She stated that she did not feel there were enough benefits to UNS to take on this burden.

Mrs. Sparks questioned whether the law school and the humanities schools could be separated. Dr. Crowley replied that program planning would need to be done at UNR before they could take the humanities program, but also funding for that program would have to be found. He also said that UNR

does have programs in humanities, the program at Old College is a different concept, and UNR is interested. The planning for the humanities school would be relatively easy for UNR to integrate immediately into its continuing education as part of the general studies program. He stated that unless a subsidy is found for the program, UNR would not be able to incorporate the program. It would need a subsidy for 3 years and by the 4th year, he felt the program would be able to stand alone. The cumulative deficit for those 3 years is some \$200,000 to \$250,000. Old College has expressed interest in providing these funds. Dr. Crowley stated that the courses could be taught at UNR and would not be dependent on the building at Old College.

Mr. Jeffrey Wing, an Old College student, questioned when Nevada would have a law school. Mrs. Sheerin replied the Campus needs a year or two to do the planning. Mr. Wing replied he thought it would be advantageous to take over the program now so that part-time students could be accommodated. Dr. Maxson stated that the law school question has not been through his Campus planning process, that UNLV would like to have a law school at some time in the future, that his Campus people have spent endless hours since this offer from Old College was presented, but he just does not

know how to make a transition of a law school within 30 days. There is the question of financing and accreditation. Also, for accreditation, a building of 70,000 square feet, all in one place, is required. That is the same size as the Engineering building currently under construction on the Campus at a cost of nearly \$15 million. Further, he stated that he felt the State should support any law school and that it would be grossly unfair to ask students to pay \$8000 to \$9000 per year for tuition.

Mr. List stated that he has contacted a number of people concerning a fund-raising effort for Old College, but no one will make a commitment unless the University will take over the program. He asked for time to obtain firm commitments for funding for a law school in the private sector.

Mr. Foley stated that he felt the Board would be remiss if they did not allow Old College the opportunity to work with these potential donors. Mr. List stated that he would need a determination or a resolution by the Regents that they do want a law school in order for any fundraising activity to be successful. He stated that he felt he could raise \$5 million up front and \$10 million for capital construction for a law school. Mrs. Sparks questioned that if the pri-

vate sector could come up with so much funding, how would the Regents request from the Legislature State dollars to operate the school once it was under way? Mr. List replied that a law school is self-supporting after the first few years.

Mr. Foley moved approval to extend to September a decision by the Board in order to give Old College time to commence a fund-raising effort for a law school at UNLV. Mrs. Whitley seconded.

Mr. Eardley stated that it was a difficult position for the Board and he did not feel the Board should impose on a Campus any program of these proportions. Mrs. Sheerin stated that she felt it was a dilemma for the Board, and that they are simply putting off a decision and that she was speaking to defeat the motion. Mrs. Gallagher stated that she felt the motion did not pose any sources of funding and she was speaking against this motion. Dr. Maxson stated again that he felt his Campus would have to go through the academic process of program planning and he would not be willing to take a program without the proper Campus planning. Mrs. Gallagher stated that money isn't the only problem, but if \$15 million would solve the problem, would the faculty and

Dr. Maxson be able to go forward with a law school? Dr.

Maxson replied that he had never initiated this program, that he has never initiated a program from the President's office, that there is a process in place to do this, and it would take the better part of a year for that process to be completed. President Gwaltney of TMCC stated that it does not have the funds to pick up any costs of the building. TMCC is interested in the building and needs the space, he said, but there are no funds to pay for rent.

Mr. List stated he felt that passage of this motion might give them time to raise the \$10 to \$15 million necessary to get a law school going. Mrs. Gallagher stated that it is not fair to Old College, the Board of Trustees and the students to consider this motion. She further stated she felt Dr. Maxson would like a law school some day, and has gone through the process and when he has the funding for such a school, he would be most happy to take on that project. Mr. Eardley stated that he wanted a law school in Las Vegas, and when the law school is complete the Board should seek State funding. Dr. Berg questioned whether a law school would come above all of the other programs and planning the Presidents' Council has done over the last several years for the System as a whole.

Motion failed upon roll call vote:

Yea: Regents Foley, Whitley

Nay: Regents Eardley, Gallagher, Kenney, Sheerin,

Sparks, Klaich

(Mr. Karamanos was absent)

President Crowley asked for authority to proceed with the negotiations for the humanities program. Mr. Nelson stated that he hoped the humanities school could go to UNR and would be very willing to negotiate and see whether they had any funds to assist in the transfer to UNR. Mrs. List stated that he felt funds could be obtained and described several agreements Old College has which might be considered. Mr. Klaich stated that the humanities school was different from the law school, that the program concerns are different and that UNR already has an established humanities program on its Campus. Dr. Crowley stated that if the funds are available, he would refer the consideration of integrating the program to the UNR Faculty Senate.

Mrs. Gallagher moved approval of Dr. Crowley being allowed to negotiate with Old College for the acquisition of its

humanities program. Mr. Foley seconded. Motion carried.

2. Approved Allocation of Funds: Regents Scholar Program

The Regents Scholar Program was established by the Board of Regents in 1983 to recognize outstanding scholastic achievement by Nevada students, and to encourage them to remain in the State. For the last 3 years, the program has awarded general elective credit to scholars. However, effective this year, the program will award a 1-year (30-credit) scholarship to students selected as Regents Scholars.

In 1986 the Board of Regents established an endowment fund of \$50,000 to support the Regents Scholar Program. This endowment was created with the idea that additional funds would be forthcoming from the Legislature. The legislative funds have not materialized.

Mrs. Gallagher moved approval to allow the withdrawal of the \$50,000 endowment for the Regents Scholar Program and the expenditure of \$12,400 for these funds for 30 students for the 1987-88 school year with the remaining amount to be placed in a special account. Mrs. Kenney seconded. Motion carried.

3. Discussion of Professional Salary Guidelines

Chancellor Dawson distributed a handout comparing the Arkansas Study and the salaries of Administrators with the System. Mr. Dawson stated that the Board has adopted a goal for all Administrators to be in the top quartile of the Arkansas Study. At this time only the 2 University Presidents are in that top quartile. Dr. Crowley stated that the faculty is roughly at the average of its comparison group. Dr. Maxson stated that the faculty salaries are more in line than the Administrators if one removes the 2 Presidents. The Administrators are well below the average of the study at this time. Mrs. Gallagher suggested that the Board should move to place salaries at the average level first, and then into the top quartile.

Dr. Maxson stated that the Presidents need flexibility when hiring new personnel, and he gave as an example the hiring of an Engineering Dean at UNLV. Part of that salary was provided through private funds to achieve competitive level for recruitment -- Chancellor Dawson stated that a 5% increase is being sought from the Legislature for the faculty which should move the faculty almost to the top quartile.

This 5% includes the 2% merit pool being considered by the Legislature. Dr. Crowley related that the Senate and Assembly have agreed to include non-teaching personnel in the merit pool, but is excluding positions of Deans and above.

Mr. Eardley stated that no defined salary schedule exists, no automatic increments are provided for UNS professional staff, and that UNS doesn't pay the total retirement for UNS employees, while most other State agencies enjoy 100% employer-paid retirement. A discussion ensued comparing benefits of different State employee groups and he expressed the need to examine the differences in benefits of the different groups. Mr. Eardley also questioned why UNS did not receive longevity and merit steps for its employees as do the school districts. Dr. Gwaltney stated that there was a difference between University and Community College counterparts, and the amount of pay received by these individuals, with pay for those in the Community Colleges being lower than similar positions at the University level. This lower salary relegates the Community College person to a second-class citizen in his opinion.

The question of employer-paid retirement was discussed. Mr. Dawson stated that he had been working with the System Com-

pensation Committee for the last 2 years urging them to accept employer-paid retirement for all professional employees but each time it has been proposed, the Compensation Committee has rejected this proposal.

Dr. Calabro suggested that Nevada might be able to conduct a Community College study on a national survey level, such as the Arkansas Study does at the University level, which would be of great service to all Community Colleges throughout the country.

Mrs. Gallagher moved approval to direct the Chancellor to institute a plan to study salary policies and procedures.

Mr. Foley seconded.

Mr. Foley questioned whether it would help or harm the UNS to be different from the public school system pay scales.

Motion carried.

The meeting adjourned at 3:35 P.M.

Mary Lou Moser

Secretary

06-04-1987