

Minutes are not final until approved by the Board at the March 2007 meeting.

BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
Third Floor Rotunda
Frank H. Rogers Science & Technology Building
Desert Research Institute
755 East Flamingo Road, Las Vegas
Thursday-Friday, October 12-13, 2006

Members Present: Mr. Bret Whipple, Chair
 Mr. Mark Alden
 Dr. Stavros Anthony
 Dr. Jill Derby
 Mrs. Thalia M. Dondero
 Mrs. Dorothy S. Gallagher
 Dr. Jason Geddes
 Mrs. Linda C. Howard
 Mr. James Dean Leavitt
 Mr. Howard Rosenberg
 Dr. Jack Lund Schofield
 Mr. Steve Sisolak
 Mr. Michael B. Wixom

Others Present: Chancellor James E. Rogers
 Executive Vice Chancellor Daniel Klaich
 Vice Chancellor, Academic & Student Affairs, Jane Nichols
 Vice Chancellor, Finance, Mike Reed
 Associate Vice Chancellor, Information Technology, Kenneth McCollum
 Interim Vice Chancellor and Chief Operating Officer, Marcia Turner
 Chief Counsel Bart Patterson
 Special Counsel Brooke Nielsen
 President Richard Carpenter, CCSN
 President Stephen G. Wells, DRI
 President Paul T. Killpatrick, GBC
 President Fred Maryanski, NSC
 President Philip M. Ringle, TMCC
 President David B. Ashley, UNLV
 President Milton D. Glick, UNR
 President Carol A. Lucey, WNCC
 Secretary of the Board Scott G. Wasserman

Also present were faculty senate chairs Mr. Alok Pandey, CCSN; Dr. Hampden Kuhns, DRI; Dr. Linda Uhlenkott, GBC; Dr. Jean Lindley, NSC; Mr. Kurt Hall, TMCC; Dr. William Robinson, UNLV; Dr. Guy Hoelzer, UNR; Dr. Michelle Rousselle, WNCC; and Ms. Annie Macias, System Administration. Student government leaders present included Mr. Presley Conkle, CCSN; Mr. Anthony Filippo, NSC; Mr. Jeff A. Panchavinin, UNLV; Mr. Frederick W. Krauss, UNLV-GPSA; Mr. Jeff Champagne, UNR; and Ms. Rebecca Bevans, UNR-GSA. Chair Whipple called the meeting to order at 8:10 a.m. with all members present except Regents Anthony, Gallagher, Geddes, Howard and Sisolak.

Regent Alden led the pledge of allegiance.

Pastor Art Gafke offered the invocation.

Regent Howard entered the meeting.

1. Introductions – None.

Regent Geddes entered the meeting.

2. Chair's Report – As part of the Chair's report, Chair Bret Whipple requested the President of each hosting institution introduce one student and one faculty member to discuss a topic of the hosting President's choosing to help provide Board members with a focus on the reasons they serve as Board members. He also discussed current NSHE events and his current activities as Chair.

DRI President Stephen Wells introduced Joe McConnell, PhD, Research Professor and Ryan Banta, PhD, Post-Doctoral Fellow both of the Division of Hydrologic Science of the Desert Research Institute. Dr. McConnell was this year's winner of the Regents' Researcher of the Year Award. Since earning his PhD eight years ago, his accomplishments include development of the world's leading trace chemistry laboratories for analyzing ice cores, authoring several publications as well as receiving several awards.

Dr. Banta provided a presentation on the analysis of ice core chemistry that is currently studied at DRI in Reno. Much of the research is funded by the National Science Foundation (NSF) as well as NASA. Ice core samples are being measured for trace elements because they are a consistent record of what has occurred in the past.

Dr. McConnell continued the presentation by explaining the methodology behind ice core samples. DRI currently has two high resolution inductively coupled plasma mass spectrometers (ICP-MS), purchased with NSF funds, capable of measuring trace levels at parts per quadrillion. These are two of only 75-80 such pieces of equipment in the United States. With this equipment, lead deposits from 1680 through 2003 can be analyzed associating increases and decreases of elements to specific historical events such as an increase at the time of the American Civil War to a significant decrease in 1972 upon implementation of the Clean Air Act. Another application, funded by NASA, uses ice core measurements as long term records of precipitation and ice sheet mass balance. In summary, high resolution trace element glaciochemical records are extremely powerful tools for understanding past climate conditions and human impacts on the environment. DRI, through its unique, state-of-the-art ice core laboratory, is leading the way in this field.

2. Chair's Report - (Cont'd.)

Chair Whipple asked how often and for what length of time trips are taken to Greenland and Antarctica. Dr. McConnell responded that Dr. Banta recently traveled to Greenland for three weeks and during that time was subjected to -30° to -40° temperatures with tent-style accommodations.

Regent Howard asked how this study will contribute to the issue of global warming. Dr. McConnell stated that it has provided consistent data that, in essence, allows us to better understand what is happening in the present so that the future can be better predicted.

Regent Schofield thanked Dr. McConnell for his efforts in this area.

Chair Whipple announced that he attended the Rogers Roast kick off fundraiser for the Health Sciences Center which raised \$1.6 million. Chair Whipple reminded Regents of Governor Guinn's appreciation reception scheduled for that evening at the UNLV Stan Fulton Building.

The meeting recessed at 8:30 a.m. on Thursday, October 12, 2006 (*for Committee meetings*) and reconvened at 1:10 p.m. with all members present except Regents Derby, Howard, Leavitt and Schofield.

Chair Whipple noted that former Regent Dr. Lonnie Hammargren had been hospitalized after suffering a heart attack.

3. Chancellor's Report - Chancellor James E. Rogers discussed current NSHE events and the Health Sciences Center.

Chancellor Rogers stated that he would like the Board to consider the Health Sciences Center in terms of a "theme" to be implemented as a general plan over the next five to ten years. He asked that the Board trust the staff to take care of rapidly changing details with the knowledge that if the theme changed, or if anything would bind, embarrass or compromise them, they would be presented with the information for their comment and approval.

The Health Sciences Center project is comprised of 209 existing health related programs including the medical school, dental school, nursing programs, and so forth. If the medical school were not going to expand from 50 to 100 students per year; if the dental school did not expand; if the seven nursing programs were not going to expand; there would still be the need for one central coordinating entity. He assured everyone that all existing programs will remain at their current locations. The primary purpose of creating a Health Sciences Center is to satisfy the needs of the people of the state of Nevada. The critical issue is that the UNR School of Medicine is among the smallest in the country, yet it is serving one of the fastest growing communities.

Regent Leavitt entered the meeting.

3. Chancellor's Report – (Cont'd.)

Chancellor Rogers stated that it may make more sense to change the name of this project to Health Sciences System instead of Center.

It will be necessary to hire a Chief Executive Officer who possesses an M.D., a PhD in public health or public administration, and can handle a medical school, dental school, seven nursing programs and potentially a pharmacy school. The Search Committee will include the Presidents of UNR, UNLV, CCSN and WNCC as well as doctors from the northern and southern regions. A Request for Proposal (RFP) has been released to recommended firms that can perform a search for what is likely to be a limited number of potential candidates.

Chancellor Rogers stated that funding of this project is primarily the responsibility of Executive Vice Chancellor Klaich. There are currently enough funds to carry this project through the end of this legislative session. If the Legislature does not approve additional funding he was comfortable that, with the identification of efficiencies, the project would continue.

Regent Gallagher acknowledged that finding a potential candidate with the appropriate qualifications for the CEO position will be difficult. She also stated that it was important to remember that there were health science programs in the east as well as the north and south.

Regent Sisolak commended Ms. Turner on the organization of the Rogers Roast. It was well attended and interesting.

Chair Whipple thanked Chancellor Rogers for his acknowledgment that this project will require a great deal of work and encouraged Board members to support the Chancellor's efforts.

Regent Wixom observed that this issue has been raised in the public conscientiousness. His concern is that the public may not understand what steps are needed to reach the desired goal. The vision of the project needs to be articulated to the community as a whole. Chancellor Rogers agreed and stated that even if nothing else happens, we can improve on what is already in place.

Chair Whipple thanked Chancellor Rogers for his vision. He encouraged everyone to speak with the Chancellor and other Regents to make sure everyone understands the direction in which the System is headed.

4. Public Comment – Mr. Adrian Huerta, Senior, UNLV, addressed the Board in regards to access and retention of Latino students. Possible areas of focus include creating a link on the website that translates information into Spanish and to provide other materials in Spanish as well.

4. Public Comment - (Cont'd.)

Chair Whipple thanked Mr. Huerta for his input and stated that the previous evening, he as well as Regents Wixom, Leavitt and Sisolak attended a student organization meeting that is addressing these different issues.

Ms. Evelyn Flores, a senior at UNLV, former Student Body President-CCSN, and member of the recently formed Alliance of Students of Color (ASOC) stated that in February 2006 the Student Union opened and was found to be lacking in terms of support for recruitment and retention of multicultural students. In March, the Alliance members prepared a 17-page Plan of Action that was submitted to Dr. Rebecca Mills, Vice President of Student Life-UNLV. Some improvement has been made including approval for a multi-cultural center; however, not all of the concerns listed have been addressed. Chair Whipple suggested Ms. Flores to work with Regent Anthony, Chair of the Cultural Diversity sub-committee.

Mr. Omari Head, NAACP President at UNLV, commended those who met with the Alliance and for the steps that have been taken. He understands that there is a committee to address these issues but he would like to address the entire Board, adding that the ASOC demands concrete commitment and not abstract support of these issues.

Regent Schofield entered the meeting.

Ms. Kenia Morales, Political Science/Sociology Student, UNLV, and recently elected Senator of the Liberal Arts College, stated that she also attended last night's meeting and wanted to reiterate the need to provide translation of the website into Spanish and Tagalog. There are many first generation students whose families do not speak English. To become a top tier institution, it is imperative that UNLV provides this type of service. A bigger issue then becomes the need for an Ethnic Studies department. Until the multi-cultural lounge can be built, she requested space in the Student Union be designated for this purpose. Regent Wixom thanked Ms. Morales for addressing the Board and directed Dr. Kenneth McCollum, Associate Vice Chancellor, Information Technology and Executive Vice Chancellor Klaich to address the specific issue of providing Spanish translation of the website to the Technology Task Force.

Mr. Joel Gutierrez, Student, UNLV, former Student Body President-TMCC, expressed concerns regarding the silencing of UNLV students by the Administration. Chair Whipple stated that he would meet with Mr. Gutierrez at the conclusion of the meeting to provide him an opportunity to fully present his concerns.

Regent Alden clarified that this is a board of directors that sets higher education policy, hires the Chancellor and Presidents, and sets the budget but they are not the money granting agency. The budget is presented to the Governor for approval by the Legislature. The Board does the best they can; there are a lot of shortfalls in the funding formula and many of the concerns expressed today have been requested. The students need to address the Legislature. The Regents are constrained by the Nevada Revised Statutes (NRS). Mr. Gutierrez clarified that he is not asking for money, but rather the time to express his

4. Public Comment - (Cont'd.)
concerns regarding administrators not hearing the students. Regent Alden stated that he would also meet with Mr. Gutierrez at the conclusion of the meeting.
5. Approved-Consent Agenda – The Board approved the Consent Agenda with the exception of items (2) (*Contract, Rehire PERS Retiree, UNLV*) and (6) (*Handbook Revision, University Specific Section, Admission, Registration, Grades and Examination*), which were approved separately.
- (1) Approved-Minutes – The Board approved the minutes from the regular Board meeting held March 16-17, 2006 (Ref. C-1 on file in the Board office).
- (3) Approved-Continuation of Leave of Absence Without Salary/Benefits, UNLV – The Board approved UNLV President David B. Ashley's request for an additional year of leave of absence without salary/benefit be granted for UNLV Professor Ron Sack to continue work on a valuable research project funded by the Department of Energy (Ref. C-3 on file in the Board office).
- (4) Approved-Honorary Degree, UNLV – The Board approved UNLV President David B. Ashley's request for granting an honorary doctorate degree to Mrs. Carolyn G. Goodman, pursuant to the *Handbook (Title 4, Chapter 1, Section 14)*. The degree will be conveyed during UNLV's winter commencement ceremony (Ref. C-4 on file in the Board office).
- (5) Approved-Handbook Revision, Moyer Student Union Board Constitution, UNLV – The Board approved UNLV President David B. Ashley's request to delete the Constitution of the Moyer Student Union from the Board of Regents *Handbook (Title 5, Chapter 14, Sections I-XIV)* (Ref. C-5 on file in the Board office).
- (7) Approved-Capital Improvement Fee Request, CCSN – The Board approved CCSN President Richard Carpenter's request for the use of \$115,000 in Capital Improvement Fee funds for the following projects (Ref. C-7 on file in the Board office):
- | | |
|---|-----------------|
| ➤ Renovation of Room B112 (<i>West Charleston Campus</i>) | \$67,000 |
| ➤ HVAC support services (<i>West Charleston Campus</i>) | <u>\$48,000</u> |
| TOTAL: | \$115,000 |
- (8) Approved-Capital Improvement Fee Request, GBC – The Board approved GBC President Paul T. Killpatrick's request for the use of \$154,650 in Capital Improvement Fee funds for adding and improving instructional space (Ref. C-8 on file in the Board office):
- | | |
|-------------------------------------|-----------------|
| ➤ Modular building in West Wendover | \$97,000 |
| ➤ Improvements in GBC Health Center | <u>\$57,650</u> |
| TOTAL: | \$154,650 |

Regent Alden moved approval of the Consent Agenda with the exception of items (2) (*Contract, Rehire PERS Retiree, UNLV*) and (6) (*Handbook Revision, University Specific Section, Admission, Registration, Grades and Examinations*). Regent Sisolak seconded. Motion carried. Regent Rosenberg abstained. Regents Derby and Howard were absent.

CONSENT AGENDA ITEMS APPROVED SEPARATELY:

- (2) Approved-Contract, Rehire P.E.R.S Retiree, UNLV – The Board approved UNLV President David B. Ashley's request to rehire P.E.R.S. retiree Jerry Hughes as an Associate Faculty in Residence for the Spring 2007 academic semester (*Ref. C-2 on file in the Board office*).

Regent Sisolak referred to the agenda packet which stated that this position had been open for 35 days and wanted to make sure that an adequate search was able to be conducted within that time frame. President Ashley apologized and stated that the information was incorrect. This position has been open for approximately 1.5 years. An initial search was conducted and failed to yield a candidate. A second search was conducted that yielded five applications of which only one met the minimum criteria, that being Dr. Hughes.

Regent Sisolak moved for approval to rehire P.E.R.S. retiree Jerry Hughes as an Associate Faculty in Residence for the Spring 2007 academic semester. Regent Wixom seconded. Motion carried. Regent Rosenberg abstained. Regents Derby and Howard were absent.

- (6) Approved-Handbook Revision, University Specific Sections, Admission, Registration, Grades and Examinations – The Board approved Vice Chancellor Jane Nichols' request for a revision proposal concerning the university specific sections of Title 4, Chapter 16 that address student admission, registration, grades and examinations. In general, the proposed revision will eliminate the institution specific sections of Chapter 16 and replace them with provisions that are applicable to NSHE universities in general. This is the second in a series of Chapter 16 revisions. At the June 2006 Board meeting, members approved similar revisions to the community college sections of Chapter 16 (*Ref. C-6 on file in the Board office*).

Regent Wixom asked Vice Chancellor Nichols if the revision to Title 4, Chapter 16 was a result of recent admission standards discussions. Vice Chancellor Nichols responded that it was not, and clarified that these changes were an attempt to clean up existing, multiple sections into one for the community colleges and one for the universities. The changes made were not substantive in nature.

Regent Wixom moved for approval of the *Handbook* Revision of Title 4, Chapter 16 as presented. Regent Dondero seconded. Motion carried. Regent Rosenberg abstained. Regents Derby and Howard were absent.

6. Approved-Amendment, Employment Contract, Men's Head Basketball Coach, UNR – The Board approved UNR President Milton D. Glick's request for an amendment to the employment contract of University of Nevada, Reno men's head basketball coach, Mark Fox (Ref. A on file in the Board office).

Regent Alden moved approval of the employment contract amendment for UNR Men's Head Basketball Coach, Mark Fox. Regent Gallagher seconded.

President Glick requested the approval of an amendment to the existing contract with Mr. Mark Fox in the amount of \$100,000 annually. Private funds have been pledged to cover the cost of this increase. President Glick cited Mr. Fox's numerous accomplishments both on a national level and with the extraordinary number of seniors that have graduated.

Regent Alden clarified for the record that the supplemental compensation on this contract is coming from non-state funds. President Glick confirmed that the supplemental compensation was not only coming from non-state funds but was in the form of gifts, as opposed to revenue from the program.

Regent Sisolak stated that he is very supportive of this but asked if the increase in salary would also increase the buy-out clause. President Glick responded that the buy-out clause was not increased for two reasons. First he wanted Mr. Fox out of the search as soon as possible; and secondly, he does not want a coach that does not want to be here. Increasing the buy-out clause could be viewed as a prohibition.

Executive Vice Chancellor Klaich clarified that it is not a buy-out clause per se but rather in the form of liquidated damages provisions limited to \$250,000. In response to Regent Sisolak's question, Executive Vice Chancellor Klaich indicated that the provisions had not been increased.

Regent Geddes asked why a Payroll Authorization Form (PAF) with the clauses listed was not submitted such as they have seen with some of the other coaches. Executive Vice Chancellor Klaich responded that the contract submitted was more in line with the type of contract major Division I coaches are typically signing.

Regent Rosenberg stated that he could not agree with an amendment of the contract just four months after it had initially been signed. He found it infuriating that more money is being demanded and provided while the System is still \$200 per credit below the minimum for the salary of part-time teachers. In addition, he stated that it should be the Presidents' responsibility to hire and fire their coaches or do what is necessary to keep them. If the Regents then have an issue, they address it with the Presidents.

Motion carried. Regent Rosenberg voted no.
Regents Derby and Howard were absent.

7. Information Only-Handbook Revision, Public Information Contained in Personnel Files – Executive Vice Chancellor Daniel Klaich recommended a change to the NSHE Code (Title 2, Chapter 5, Sections 5.6.2 and 5.6.3) to provide that educational and employment history submitted for consideration of employment become public records upon acceptance of an employment offer by the candidate. This was the first reading of a proposed Code change. Final action will be taken in December (Ref. B on file in the Board office).
8. Information Only-Handbook Revision, Verification of Post-Employment Credentials - Executive Vice Chancellor Daniel Klaich recommended approval of a change to the NSHE Code (Title 2, Chapter 5, Section 5.10.2(a)) to require NSHE institutions to independently verify the authenticity of academic credentials obtained after an employee's original hire date and prior to recognizing such credentials in official personnel files, academic catalogues, institutional publications, other official documents, or for the purpose of promotion and title change. This was the first reading of a proposed Code change. Final action will be taken in December (Ref. C on file in the Board office).
9. Information Only-Handbook Revision, Resignations/Job Abandonment Policy - Chief Counsel Bart Patterson recommended approval of an addition to the NSHE Code (Title 2, Chapter 5, new Section 5.15) to provide for a resignation and job abandonment policy. This was the first reading of a proposed Code change. Final action will be taken in December (Ref. D on file in the Board office).

Chief Counsel Patterson noted that resignation from a position and job abandonment are really two separate issues. In June, the Board voted in favor of not paying individuals while not on authorized leave. At that time he began working with the faculty senates as well as academic and Human Resources officers to develop a job abandonment policy. To date, consensus on a workable policy has not been achieved. In addition, development of an abandonment policy, separate from that existing in Chapter 6, has reached a problematic point and would not result in a cost or time savings. Counsel Patterson requested that the Board allow Chapter 6 policy to stand with no revisions and without the development of additional policies.

Chair Whipple asked why a consensus could not be reached among the group of faculty senate and officers. Dr. Guy Hoelzer, Faculty Senate Chair-UNR, stated that it was very difficult to include language that could clearly define abandonment for each group of faculty. What is appropriate for one group may be unfair or inappropriate for another. Developing an additional job abandonment policy would potentially allow misuse more than it would solve problems.

Chair Whipple requested that Mr. Hoelzer clarify what he meant by "misuse" of the policy. Mr. Hoelzer stated that, for instance, inappropriate termination of faculty who appear to have abandoned their job but have not, such as if they become incapacitated from a vehicle accident.

Regent Anthony asked Chief Counsel Patterson to clarify that Reference D is not necessary because a mechanism to deal with job abandonment already exists. Chief Counsel Patterson responded that he will be recommending approval of Item 1 in

9. Information Only-Handbook Revision, Resignations/Job Abandonment Policy - (Cont'd.) Reference D, specific to resignations. Job abandonment is already a violation of Chapter 6 and, therefore, provides due process.

Regent Wixom asked Chief Counsel Patterson to confirm that instances of job abandonment are handled on a case-by-case basis under Chapter 6 as a factual determination and that administrators would bring the situation to the attention of counsel. Chief Counsel Patterson responded that the notice of charges would be sent and a determination hearing held. If no response is received from the notice process, or the hearing is not attended, the process is resolved expediently. If it is not a case of job abandonment, but rather a case of termination, the normal Chapter 6 process is followed, and the salary terminates upon determination of termination by a President.

Executive Vice Chancellor Klaich stated that Chapter 6 adequately covers the issues at hand. An additional policy is not necessary.

In response to Regent Anthony, Executive Vice Chancellor Klaich indicated that when an employee decides not to return to work, they would be quickly placed on leave without pay status and could then be terminated.

Chair Whipple stated that the general consensus is to allow Chapter 6 to remain as it is with no recommendations at this time.

Executive Vice Chancellor Klaich took the opportunity to thank the Faculty Senate Chairs and the Presidents for working through this issue together.

10. Information Only-Handbook Revision, Evaluation and Merit Review Policy Modifications - Chief Counsel Bart Patterson recommended approval of modifications to the NSHE Code (*Title 2, Chapter 5, Sections 5.2.3, 5.2.4, 5.7.2, new Sections 5.12.3 and 5.16*) and a minor modification to the *Handbook* (*Title 4, Chapter 3, Section 4(5)*) to provide institutions with more flexibility in designing procedures to review annual evaluations and merit pay determinations. This was the first reading of a proposed Code change. Final action will be taken in December (*Ref. E on file in the Board office*).

Chief Counsel Patterson stated that the current policies leave too much room for interpretation but they also do not provide the campuses with flexibility in designing a process that is consistent and meets the interest of the faculty to amicably resolve issues over evaluations and merit pay determinations. This revision will allow campuses to decide which of three options they want to use: reconsideration, grievance or peer review.

11. Information Only-Apartment Complex, CCSN - CCSN President Richard Carpenter presented for information the construction of an apartment complex with approximately 361 units on 20 acres of the CCSN Henderson Campus. The apartment complex will be created through a public-private partnership between CCSN and the Molasky Group. The College will lease approximately 20 acres to a limited liability company owned by the Molasky Group and CCSN, with CCSN being a limited partner. Except for the ground lease, the College will make no cash contributions or any other contributions to the

11. Information Only-Apartment Complex, CCSN - (Cont'd.)

project. The College will not guarantee the project or assume other liabilities. However, the Molasky Group will provide appropriate financial guarantees and make initial capital contributions equivalent to the value of the land. Once built, the project will be managed by the Molasky Group, a company with extensive experience in multi-family leasing and management. It is anticipated that construction will begin during the Spring of 2007. In order to provide affordable faculty housing, a portion of the apartment units will be made available to faculty at rental rates 20% below standard market rental rates. Final action will be taken in December (Ref. F on file in the Board office).

Regent Dondero stated that the Investment Committee recommends this item be held over until a formal appraisal and survey of the property can be conducted. At this time, it is being brought to the Board for informational purposes only.

Regent Alden stated that for fiduciary oversight there must be an appraisal of the property. He also requested that the value of the property and financial forecasts provided by the private developer be reviewed and evaluated internally by Vice Chancellor Mike Reed.

Chair Whipple recognized that this was a new type of development for the System. Regent Dondero agreed and stated that it was very important that it be done correctly so that there are appropriate procedures for future projects to follow.

Chair Whipple expressed concern that previous public-private partnerships did not result in a desirable situation, possibly due to people within the System advocating, representing or arguing on behalf of the private partner. At the end of the project, only the System's own weaknesses could be blamed.

Chancellor Rogers stated that the Molasky Group is concerned that an increase in the appraisal may indicate an increase in the cost of the project. The Board cannot be put in the position of not seeking an independent appraisal. The System will contribute the land, the Molasky Group will contribute matching funds to build and the project is split 50/50. This is not the type of project that should go out for bids.

To provide background information, Regent Sisolak explained that the project involves 20 acres of land furthest back on the campus. The proposal is to build an apartment complex with 17 or 18 units per acre density. At this time, approval from the surrounding neighbors has not been sought. The 20 acres currently zoned for educational purposes are being appraised for about \$270,000 per acre, or approximately \$4.5 million. When zoned for apartment complexes the land becomes worth \$800,000 or \$900,000 per acre, or \$18 to \$20 million. If the value of the land is increased, the amount of matching funds to be invested by the Molasky Group would increase. The Molasky Group has stated that of the 350 units, 35 would be allocated to President Carpenter and the College to rent at a 20% discount to faculty members for affordable housing. If the value of the land increases, the cost for the apartments will potentially increase as well. It is very important that the System obtain an independent appraisal for the highest and best use of the land, that being for residential purposes.

11. Information Only-Apartment Complex, CCSN - (Cont'd.)

Upon reaching its full capacity, the apartment complex would generate a cash revenue stream that could be used against the bonding capacity to allow President Carpenter to borrow money to build a separate building.

Chancellor Rogers agreed that the Board could not incur the exposure of entering a deal and then finding out later that the property was worth so much more. It may be determined that this deal is not appropriate but either way an independent, legitimate appraisal is necessary.

Regent Sisolak stated that Mr. Molasky has received a current appraisal based on educational zoning purposes but again, that is not the highest and best use of the property. In real estate, what the land can be used for greatly impacts the worth of the land.

Regent Wixom stated that when the appraisal is requested, it is important to keep in mind that this property is not readily marketable due to the Bureau of Land Management (BLM) restrictions placed upon it. Mr. Molasky's appraisal may be entirely valid given these restrictions. Regent Sisolak stated that Mr. Molasky said that he is working on receiving a release from the BLM.

Regent Wixom stated that if the System's real property assets can be converted into revenue generating assets, some incredible things can be accomplished.

Chair Whipple complemented the members of the Investment Committee for their diligence in working through this proposal. It is a unique opportunity; however, he cautioned that representatives from private entities need to appear before the Board as much as possible instead of System employees providing the representation.

Chancellor Rogers agreed that those are things that cannot be compromised. There must be full disclosure. The Board has been very diligent in being forthcoming.

Chair Whipple stated that the Board needs to take a careful look at the relationships with private partners and potential donors for future election campaigns. He requested that this be a topic for discussion at the next meeting of the Board Development Committee. Regent Rosenberg agreed that Chair Whipple's concerns need to be discussed with the Board Development Committee.

President Carpenter said that this item was placed on the agenda as an information item so the Board's questions and concerns could be addressed prior to a full presentation and request for action at the next Board meeting. This project is estimated to generate about \$750,000 per year for 20 years for the college. In addition, it will generate \$1 million up front and another \$1 million once all the units are rented, which can be used as a dedicated revenue stream for issuing bonds for a sorely needed student services complex on the Henderson campus. He acknowledged that the student services on that campus are deplorable. This is critically important and, if done correctly, may be used as a model for future projects.

11. Information Only-Apartment Complex, CCSN - (Cont'd.)

Chair Whipple felt it is a tremendous opportunity, but one that raises a host of issues. He recognized that time was of the essence so as not to undermine the success. He directed Regent Rosenberg to address some of the potential conflicts with the Board Development Committee and to enact appropriate policies.

Regent Sisolak stated that the Board cannot be rushed into making decisions. Time must be taken to be successful in this endeavor. There is the potential to access a lot of money to service a lot of debt.

Regent Sisolak recognized Regent Dondero and the Investment Committee for their efforts in laying the groundwork for this project.

12. Information Only-Update: August 4, 2006 Special Board Meeting Issues, UNLV -

UNLV President David B. Ashley provided an update on the School of Dental Medicine Honor Code, the Orthodontics program and its contractual relationship with Orthodontic Education Company (OEC) and the Institute for Security Studies as a follow-up to the discussion at the August 4, 2006 special Board of Regents meeting (*Ref. H on file in the Board office*).

President Ashley stated that there are currently two policies working their way through the campus and Board review process: (1) degree revocation and (2) expunging of records. The judicial process for the ten students in question is complete and the students are being monitored for their community service commitments. A review of patient records was conducted and no evidence of compromised care or inaccurate billing was found. There are two patient recall appointments still to be completed. The central issue before the Regents is how to prevent future occurrences. The ethics components of the dental and medical education program are being scrutinized and will be adjusted accordingly. Issues with the honor code have been resolved through the Office of Student Conduct. The UNLV Student Code of Conduct is currently being revised through a process involving broad participation by students and faculty and will be presented to the Regents for their approval at a future meeting. President Ashley requested Dr. Rebecca Mills, Vice President of Student Life-UNLV, approach the podium to address any questions.

Regent Sisolak asked whether the honor code requires students to report their awareness of unethical behavior by other students and requested to see a copy of the code. Dr. Mills responded that the honor code for the school of dental medicine does require students to report inappropriate activities and that she would provide the Regents with a copy of the honor code.

Regent Sisolak requested an update on how the community service was progressing. Dr. Mills stated that the students have ten years to comply and the main focus is to make sure the School of Dental Medicine is working with UNLV General Counsel and the Senior Conduct Officer to monitor and document their progress. Regent Sisolak asked if there were costs associated for this to which Dr. Mills responded that the costs would be minimal.

12. Information Only-Update: August 4, 2006 Special Board Meeting Issues, UNLV –
(Cont'd.)

Executive Vice Chancellor Klaich asked whether these students were providing dental services to underserved patients and if that type of service requires a license. Dr. Mills responded that the type of service being provided can be done under supervision. Executive Vice Chancellor Klaich asked Dr. Mills to confirm that the students do not need to be licensed and were practicing appropriately.

Regent Dondero asked if the community service can be done in any other areas such as Child Haven. Dr. Mills responded that the service can be completed in a variety of places.

Regent Gallagher asked if all ten students were located within Nevada. Dr. Mills responded that they were not. Regent Gallagher then asked if arrangements have been made with those students who are out of state to which Dr. Mills responded that they have.

Regent Sisolak asked if the community service had to be related to dental work. Dr. Mills confirmed that the service must be dental related.

Regent Rosenberg asked how out-of-state students are being monitored. Dr. Mills clarified that each student has a written agreement and their work is being monitored by a practitioner.

President Ashley continued that the second item to be addressed was the public/private partnership and financial agreement with Orthodontics Education Corporation (OEC). The second payment from OEC, due September 15th, was not received. As a result, the partnership and the agreement have been terminated. President Ashley stated that public/private partnerships can be structured positively and he hopes this experience will not be used as a negative example. President Ashley stated that Item 15 (*Orthodontics Program Funding Options and Recommendations, UNLV*) is a derivative of the termination of the agreement with OEC.

Regent Geddes asked if the students were still bound by their individual contracts with OEC. Executive Vice Chancellor Klaich stated that as of the August 4, 2006 meeting, all of the students reported that their agreements with OEC had been terminated to their satisfaction.

Regent Leavitt thanked President Ashley for addressing these issues.

President Ashley said that the next item involved the Institute of Security Studies (ISS). An audit was conducted by Mr. Gerry J. Bomotti, Vice President for Finance and Business, UNLV, and his staff with a draft report issued on August 31, 2006. On September 27, 2006 that audit was finalized and was critical in pointing out several areas in need of correction including 11 recommendations for action. President Ashley is personally satisfied that this audit provides enough information for UNLV to move

12. Information Only-Update: August 4, 2006 Special Board Meeting Issues, UNLV – (Cont'd.)

forward to develop the research institute. One of the actions taken is that on October 2, 2006, ISS transitioned from the UNLV Research Foundation to UNLV. ISS related grants are also being transitioned to UNLV. Also on October 2, 2006, the new Executive Director of the ISS, Major General Scott B. Smith, began his duties.

President Ashley stated that his final item was to report that the master's degree program in Emergency Crisis and Management is now the responsibility of the College of Urban Affairs with the idea that ISS will support the program with personnel and recruitment. A new Program Director, Ms. Christine Springer, has been hired. Ms. Springer is an expert in facilitation marketing, communications and management processes, and is a member of the National Academy of Public Administration and the American College of Healthcare Executives. UNLV can look forward to a strong collaboration between the College of Urban Affairs and ISS in developing a masters degree program that will be ready to accept students effective January 2007.

President Ashley asked General Smith to introduce himself and comment on his sense of the potential and activities of the ISS.

General Smith stated that he was very pleased and deeply honored to have been selected for this position. He is being challenged to help the ISS develop to its full potential. While at Western Research Institute of Wyoming for seven years he managed research, sought clients, satisfied customers, worked to secure grants, worked with federal agencies, worked with elected officials and with private clients. There are three immediate steps that he feels have the highest priority: (1) find out the rules and operate within them, (2) build and work in teams in consortium and (3) conduct business as openly and transparently as possible. He felt that the audit provided a good framework for the next step and will follow up with Mr. Bomotti as soon as possible. One of the deficiencies that exist is a lack of expertise in financial management and business and project management. His vision is to first modify the organization, within the budget constraints, and bring in outside professionals to help with any shortcomings. Secondly, he will develop a strategic plan in concert with ISS staff and other members of the University. This plan will be published to make everyone aware of the accountabilities. His third action would be to form a research advisory group (internal and external) to understand and develop research and business opportunities.

Regent Howard entered the meeting.

The meeting recessed at 3:20 p.m. on Thursday, October 12, 2006 and reconvened at 3:40 p.m. with all members present except Regents Derby and Schofield.

13. Approved-Executive Director Contract, Institute for Security Studies, UNLV – The Board approved UNLV President David B. Ashley's request for a 21-month contract for the appointment of Major General Scott B. Smith to the position of Executive Director of the UNLV Institute for Security Studies. The employment contract will extend from October 1, 2006 to June 30, 2008 (Ref. I on file in the Board office).

13. Approved-Executive Director Contract, Institute for Security Studies, UNLV - (Cont'd.)
President Ashley stated that if the 21-month duration is not approved, the contract will revert to 9-months. The 21-month time frame is the product of the remainder of this academic year and the next. However, he would welcome discussion of a longer term.

Regent Anthony moved approval of a 21-month contract for Executive Director, UNLV Institute for Security Studies, Major General Scott B. Smith. Regent Dondero seconded.

Regent Sisolak stated that the System was fortunate to have attracted Major General Smith to this position.

Chancellor Rogers recommended approval of the contract for 21 months with the possibility of extension in June.

Regent Gallagher asked if General Smith had only wanted one year. President Ashley responded that initial discussions included a three-year term. However, General Smith recommended 24-months to allow the System to evaluate his progress. President Ashley believes this task will require multiple years and agreed that in June a review of the contract could be conducted with the possibility of extension at that time.

Regent Sisolak asked whether relocation expenses were taxable. Chief Counsel Patterson replied that UNLV is offering a lump sum payment for all various moving expenses but they are not necessarily proceeding under IRS provisions. Mr. Bomotti stated that standard procedure is to issue moving expenses in one lump sum that is taxed. Regent Alden stated that an adjustment is made to gross income.

Regent Schofield entered the meeting.

Motion carried. Regent Derby was absent.

14. Approved-Costs of Books to Students/Campus Bookstores - Regents Linda C. Howard, James Dean Leavitt and Steve Sisolak requested the Board discuss the rising costs of textbooks, who regulates the prices of textbooks and other instructional material, the governance of campus bookstores, including the regulation of the bookstores on the campuses, whether audits of bookstore business practices have been conducted, the availability of textbooks and other instructional materials on the Internet in electronic format, and whether the campus bookstores allow students to place orders with the bookstore over the Internet. The Board requested that the Presidents return with a plan to reduce or limit the cost of textbooks at each institution in consultation with students and faculty, to review contracts that impact the cost of books, and to recommend whether the bookstore contracts should be revised, renewed or terminated in a manner which will result in reducing the profit margin of the publisher, and to determine the cost to buy back the bookstores (*Ref. G on file in the Board office*).

Regent Howard thanked Regents Leavitt and Sisolak for their support of these issues. The prices of books are a major concern among students and parents. She has researched

14. Approved-Costs of Books to Students/Campus Bookstores – (Cont'd.)

what is being done at other universities and found that some have started renting books and some are providing e-books online.

Regent Sisolak stated that the last discussion on this topic revealed that some faculty were not submitting their book lists early enough to provide the students an opportunity to shop for the best price. He asked Vice Chancellor Nichols if the faculty was being encouraged to submit their lists in a more prompt fashion and if it was still true that contracts are governed by the book distributor.

Regent Nichols responded that the Board did pass a policy dictating that each campus pass their own policies that may allow students to save money. Early adoption of the book lists is an important aspect of textbook pricing because it allows bookstores to get more used books, allows students to shop around and allows disabled students to get the books in the format they need. Some faculty members are moving toward the use of online material to avoid the cost of books. She has requested a status report on the policies that the campuses have put in place but a survey of their practices has not been conducted. There are contracts, with expiration dates, with the bookstore vendors, except UNR where the bookstore is run by the students.

Mr. Presley Conkle, Student Body President-CCSN, stated that one problem is that many textbooks are bundled with other reference materials that drive the cost up.

Regent Sisolak stated that the faculty had said they were committed to stop selecting books contained in bundles unless all materials were necessary. Mr. Conkle responded that this was not happening on a grand scale. One option is that the students have proposed a trade program.

Dr. William Robinson, Faculty Senate-UNLV, stated that this topic was discussed at the last senate meeting. One thing that can be done is for faculty to write not only the name of the book but also the ISBN number on their orders to eliminate the possibility of receiving bundles as much as possible. Faculty does not necessarily order the books in bundles, they just arrive that way. According to the bookstores, they try to order the book alone and sometimes the publisher provides the bundled packet. Regent Sisolak stated that he was under the impression that communication between the faculty and bookstore was going to improve so that bundles were not ordered. Dr. Robinson stated that they have been working on it but sometimes they are only allowed to order the entire package. It is in the publisher's interest to send the whole packet. If the book will be used the very next semester, they will pay the student 50% to buy it back and then turn around and sell it for 60%. For lower level courses, the faculty is encouraged to use the same book every semester. Upper division courses are taught on a sequential basis, once per year, so the book store does not consider it a continuation course and will only pay \$20 to the student and turn around and resell the book for \$60. Regent Sisolak asked if they send books back to publisher to which Dr. Robinson stated that it was assumed the books are stored on campus.

14. Approved-Costs of Books to Students/Campus Bookstores – (Cont'd.)

Regent Howard asked what can be done to have the booklists out in time to allow students to shop around. Dr. Robinson said that it can be encouraged but, per Title 2.2 of the Board of Regents *Handbook*, the faculty is entitled to control their textbook selection and there is no authority to tell them to speed the process up. It may help to encourage departments to order books for part-time instructors who are usually last-minute hires.

Regent Rosenberg stated that academic freedom is a wonderful thing but there are still things that the faculty can do to mitigate the issues. If the student knows they will be registering for continuation courses, it is sometimes less expensive to purchase the books at one time instead of one per semester. It is also possible for instructors to provide multiple syllabi for various editions so that the books can be used over a longer period of time. He recognized that UNR has an advantage because the students own their bookstore. He also stated that some books do require the CD so the students need to take the responsibility of returning the CD with the book.

Regent Wixom stated that it is not logical to say that academic freedom allows the book lists to be determined in a late fashion. The Board should address its expectations that book lists will be submitted in a timely fashion or change the policy to mandate this practice.

Regent Gallagher stated that the Board has considered this issue a number of times. If something can be done, it should be done. A fair amount of time has been provided to resolve the issue.

Chair Whipple stated Reference G (*Title 4, Chapter 14, Section 23*) states that faculty are entitled to textbook selection but later states that to that end each institution shall develop an approved statement of professional and ethical guidelines relative to the selection of textbooks or other instructional materials. It is the Board's directive to develop statements of professional and ethical guidelines. It appears the Board has already implemented those and at this point it is probably just a matter of reminding the institutions that those directives are in place.

Regent Schofield urged the Board to take a stand.

Ms. Rachel Calhoun, Student Body Secretary-CCSN, stated that in order to help the students they need to be given options. CCSN is currently working on several programs including one that is already in place on the Henderson campus called the Textbook Assistance Program (TAP). This program runs completely on donations and is staffed by one faculty member. The books are loaned and returned at the end of each semester. Through this program 92% of the books are returned and a hold can be placed on school records if they are not. Due to its success, they are working on bringing this program to other CCSN campuses. A second option is a work-for-your-book program where students can work in different areas of the campus and in return Student Services provides a book voucher. The only limitation is the people and space to run the programs.

14. Approved-Costs of Books to Students/Campus Bookstores – (Cont'd.)

Mr. Jeff Panchavinin, Student Body President-UNLV, stated that in 2005 the former Student Body President reported to the Board that in 2003-04 students paid an average of \$898 per semester for books. He paid \$600 this semester for his books. One of his professors turned in his book list two days into the semester. Fortunately, this semester a memo was distributed requiring book lists to be submitted by a certain date. Another issue is the dramatic difference in price between new and used books. Currently CSUN provides \$130,000 in scholarships per year and this year is going to create a scholarship for books and would also like to explore other ideas such as the Textbook Fairness Acts in other states.

Regent Sisolak asked if student governments could help with placing a couple of copies of the textbooks in the library. Regent Rosenberg stated that the UNR Art Department's desk copies go to the library. Regent Sisolak asked why other departments couldn't do that. Regent Rosenberg stated that for some departments, getting desk copies is more difficult.

Regent Derby entered the meeting.

Dr. Linda Uhlenkott, Faculty Senate Chair-GBC, stated that not every student has access to the internet. Secondly, most faculty have their book lists in by October 20th or sooner. That deadline will enable students to buy books properly. In her experience it is not that easy to get a desk copy of an English book. She is also concerned that encouraging students to use library copies will promote violation of copyright laws. The faculty does not set costs of the books and often does not know the price the students will be charged.

Mr. Jeff Champaign, Student Body President-UNR, stated that the UNR bookstore marks its books up 25%, with a profit of about 3%. Their end of year profit is approximately \$250,000 and the Student Government invests the majority of the money back into the campus. In the past five years, the students have invested a little over \$3 million back into the campus in the form of new facilities, the purchase of computers, scholarships, and so forth. A 25% mark up is standard for bookstores across the country. One thing they would like to start is an on-line book swap. Students need to be provided options. This issue requires a larger discussion regarding how publishers set prices and how the buy back and used books process can be improved.

Regent Howard asked why UNR owns their bookstore while UNLV is owned by Barnes and Noble. Mr. Champagne responded that in 1958, ASUN bought the UNR bookstore for \$20,000. Every few years the bookstore companies ask the ASUN to sell the store, but the students have not agreed to do so. They are concerned that the promised revenue from the purchasing company will come from an even higher mark up on the books.

Mr. Alok Pandey, Faculty Senate Chair-CCSN, explained that there are two types of bundles. One occurs when exact chapters are chosen and grouped together, often reducing the cost of the book. The other type is when several books or different types of reference materials are sold together as one unit, which often increases the cost. It is important to remember that bundles containing software cannot be placed in a library

14. Approved-Costs of Books to Students/Campus Bookstores – (Cont'd.)

setting or licensing laws may be violated. It is also standard there be a 30% change in the content to justify publication of a new edition. Technology changes so rapidly that faculty must teach the most current edition in order to properly prepare students for employment in the real world. Many instructors use e-books for classes taught online. Generally faculty turn in their book orders by determined deadlines. However, if the book is not released by the deadline, you cannot order it. For instance, if the deadline is October 20th and the book is scheduled for release on January 1st, faculty are forced to put students in a position to purchase last minute.

Regent Howard said that e-books can be used in most cases because reading occurs outside the classroom. Mr. Pandey responded that when discussing the chapter in class, they need to see the reference in front of them. This cannot be done if the text is on-line.

Regent Geddes echoed the point that the typical university bookstore is a public-private partnership that does not work very well. The UNR bookstore is a great model because its profits are reinvested into the campus. He confirmed that it can be very difficult to get desk copies.

Regent Howard moved approval to request that presidents come to the March meeting with a plan, in consultation with students and faculty, to reduce or limit the cost of textbooks at institutions. Regent Rosenberg seconded.

Regent Sisolask asked when the contract expires at the UNLV bookstore. President Ashley responded that he believed the contract expires in 2009. Regent Sisolak asked if control of the bookstore could be assumed at that time. President Ashley stated that he assumed so but he warned additional resources would be needed if that were to happen.

Regent Howard withdrew her original motion.

Regent Howard requested additional time to appropriately formulate her motion.

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV - As a follow up to the August 4, 2006, Special Board of Regents meeting, President David B. Ashley presented options and recommendations to address the operational budget deficiencies for the Advanced Dental Education program in the School of Dental Medicine (*SDM*) due to the lack of revenues to materialize from the Orthodontic Education Company (*OEC*). The options and recommendations presented to the Board to address the program's financial difficulties will assure the program integrity and quality going forward and a successful final accreditation visit (*scheduled for April 26, 2007*).

President Ashley stated that financial adjustments will be required to assure that the orthodontics program can address the loss of annual OEC operating revenue. The original orthodontics program model budgeted \$480,000 up to \$720,000 per year. The program started in the fall of 2005 and, at the time, was financially self-supporting.

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV – (Cont'd)

The final accreditation visit is scheduled for April 26, 2007. However, the material references to support the visit are due February 15, 2007. The following presentation outlined four options.

Options 1, 2 and 3 affect all current and new students. Option 4 affects only new students. All four options project a \$15,000 per year tuition increase with differences only in the way in which the increase is implemented.

Orthodontics Program Options to Increase Annual Tuition and Fees: \$480K Revenue

- o All Current and New Students
 1. \$15,000 → January 1, 2007
 2. \$ 7,500 → January 1, 2007
\$ 7,500 → July 1, 2007
 3. \$ 7,500 → July 1, 2007
\$ 7,500 → January 1, 2008
- o New Students Only
 4. \$15,000 → July 1, 2007

Option 1 - Recommended by SDM:

January 1, 2007	\$	7,500
July 1, 2007	\$	7,500
January 1, 2008	\$	0
FY 07 Income Impact	\$	120,000
FY 08 Income Impact	\$	<u>480,000</u>
Total Income Impact	\$	600,000
Total Program Debt Impact	\$	N/A
Total Debt	\$	995,600
Estimated Debt Repayment from FY 07	\$	6 years

Option 2

January 1, 2007	\$	0
July 1, 2007	\$	15,000
January 1, 2008	\$	0
FY 07 Income Impact	\$	0
FY 08 Income Impact	\$	<u>440,000</u>
Total Income Impact	\$	440,000
Total Program Debt Impact	\$	(160,000)
Total Debt	\$	1,155,600
Estimated Debt Repayment from FY 07	\$	7 years

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV –
(Cont'd)

Option 3

January 1, 2007	\$	0
July 1, 2007	\$	7,500
January 1, 2008	\$	7,500
FY 07 Income Impact	\$	0
FY 08 Income Impact	\$	<u>320,000</u>
Total Income Impact	\$	320,000
Total Program Debt Impact	\$	(280,000)
Total Debt	\$	1,275,600
Estimated Debt Repayment from FY 07	\$	8.5 years

Option 4 – Recommended by UNLV President

January 1, 2007	\$	0
July 1, 2007	New Students Only	\$ 15,500
January 1, 2008	\$	0
FY 07 Income Impact	\$	0
FY 08 Income Impact	\$	<u>280,000</u>
Total Income Impact	\$	280,000
Total Program Debt Impact	\$	(320,000)
Total Debt	\$	1,315,600
Estimated Debt Repayment from FY 07	\$	9 years

Annual Tuition and Fees: Total Impact on Students

Full Program Costs	Option 1 Recommended by SDM	Option 2	Option 3	Option 4 UNLV President's Recommendation
2 nd year students	2,500	0	0	0
1 st year students	15,000	10,000	7,500	0
New students effect. 07/01/07 or later	30,000	30,000	25,000	30,000

In response to Regent Alden's question, President Ashley indicated that the program started in 2005. Regent Alden asked for the year ending June 30, 2006, what the revenue and expenses were and if there was a shortfall. Mr. Bomotti responded that at the end of fiscal year 2006 there was only one year's worth of students and the program was positive \$380,000. Regent Alden asked about the current forecast for fiscal year 2007. Mr. Bomotti stated that projections reflected a positive \$95,000. That number not only includes the orthodontics program but also a commitment to start the advanced programs.

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV –
(Cont'd)

Regent Alden asked what the projection was for fiscal year 2008. Mr. Bomotti replied that if there is no tuition increase, and all the other plans remain the same, there will be a loss of \$600,000. Regent Alden asked whether under this scenario for the periods through 2008, it was necessary to replenish the \$1.75 million. Mr. Bomotti replied that the assumption is that the School of Dental Medicine would not repay the \$1.75 million.

Regent Geddes asked whether President Ashley had taken his recommendation for Option 4 back to the school and students. President Ashley stated that he has not, but that Option 4 would be better because the current students would see no impact.

Chancellor Rogers stated that it is necessary to subsidize education when those who need the subsidy are receiving the education. In this situation, there are students in the most economic program in the United States and all of them have stated they do not have a problem paying the increased tuition. The System would be subsidizing the education of a group of students who have stated they do not want or need it; yet, there are other students who cannot afford books. It is not desirable to have one group of students educated at the expense of students who cannot afford their own books. He recommended Option 1.

President Ashley stated that although the students agreed to Option 1, his recommendation for Option 4 is based on the radical change in their program's economic situation. The students indicated that they were willing to pay the increase but it would not be at the expense of other students. The premise is that there is no state money invested in this program. A bridge is provided for this period of time but it is not a subsidy. The dental program is being given a longer period of time to repay the debt if the current students are not charged higher tuition.

Regent Derby stated she would agree with Option 1 since it is what the students agreed to. The cost of tuition is level with other schools across the country.

Chancellor Rogers stated that he does consider this a subsidy. Whatever expenses are not paid through tuition, the System will pay for in some shape or form.

President Ashley stated that the additional debt is not from the orthodontics program but is incurred from implementation of the five additional advanced dental education programs. If the advanced programs are removed, there is no substantial debt. Chancellor Rogers stated that he would still rather have present students pay for the program instead of providing a subsidy. President Ashley responded that he does not agree and that the state will not be paying for this program.

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV –
(Cont'd)

Regent Wixom asked about the source of the \$1.75 million. President Ashley responded that those funds are proceeds from the sale of Rainbow Gardens and not from state funds. Regent Wixom asked if that money would be loaned to the program. President Ashley replied that it was a gift not to be repaid. Regent Wixom requested clarification regarding exactly what was being discussed as the debt and what the additional tuition will be used for. President Ashley stated that the additional tuition is to support the advanced dental education programs that in 2007 cost \$995,000. Regent Wixom asked to whom the debt was being repaid. President Ashley responded that the School of Dental Medicine owes that back to UNLV. Regent Wixom stated that if the money was owed, UNLV must have given it to them and asked where the funds came from. Mr. Bomotti explained that there are two holes in the financial plan. One is the \$1.75 million that is a one-time issue to be addressed. The second is that, under the contract with OEC, UNLV's financial model provided for a minimum of 16 to 24 scholarship students per year. Based on that, UNLV expected \$480,000 to \$720,000 per year from OEC. UNLV is proposing options to recover the minimum \$480,000. The OEC plan was not only for the orthodontics school but also included the advanced programs. UNLV will need to extend some line of credit to the SDM depending upon which option is selected.

Regent Wixom expressed concern about filling one gap with the \$1.75 million proceeds from the sale of Rainbow Gardens and a second gap with another \$1 million for debt financing. Due to the expensive nature of educational offerings and evolving technological needs, we could be facing yet another gap. He asked whether there is a way to determine what that gap may be. Mr. Bomotti responded that it was difficult to project many years into the future. A positive note for the program is that the orthodontic program's plan for the first year led to a positive cash balance which does not always happen. The financial models have built into them the cost of repair and maintenance for the new building and replacement of chairs, equipment and so forth. This is a full costing model.

Chancellor Rogers stated that he found it difficult to justify using profit to fill a hole caused by someone else's default. Secondly, in his experience, it is very difficult to predict the future of technological developments. The System has a right to charge the students a fair amount for their education and the students are not protesting.

Regent Wixom indicated that he, too, does not agree with giving the program the \$1.75 million proceeds from the sale of property. The nature of this type of education is so inherently expensive, so technologically driven and changes exponentially that the current problem must be addressed.

Chair Whipple requested that the Board continue this discussion as the first item of business on the next day's agenda.

14. Information Only-Costs of Books to Students/Campus Bookstores - (Cont'd.)

Regent Howard moved approval for the Presidents to present at the March meeting a plan to reduce and/or limit the cost of books at each institution, to review contracts that impact the cost of books, and to recommend whether the contracts should be revised, renewed or terminated in a manner which will result in reducing the profit margin of the publisher. Regent Rosenberg seconded.

Regent Geddes requested a friendly amendment to also determine the cost to buy back the bookstores. Friendly amendment accepted. Motion carried.

The meeting recessed at 5:13 p.m. on Thursday, October 12, 2006 and reconvened at 8:10 a.m. on Friday, October 13, 2006 with all members present except Regent Sisolak.

16. Approved-Handbook Revision and iNtegrate Project Update – The Board approved a policy proposal authorizing the System to administer common data elements to ensure the integrity of System-wide common data (*Title 4, new Chapter 21, Sections 1.1-1.3*).

Regent Wixom provided a presentation on several myths associated with the implementation of Enterprise Resource Planning (ERP) systems.

Potential Pitfalls:

- Rush to begin.
- Attempt to plan to perfection.
- Misalignment of objectives.
- Insufficient lead time.
- Lack of team space.
- Approach to decision making.
- Guidance – Need to get the big things rights.
- Secure entire funding up front.
- Have the freedom to reallocate.
- Hold back a contingency for the unforeseeable, but inevitable.
- Confront recurring costs as well.
- No one is in charge; or multiple parties think they are in charge.
- Have management but not leadership.
- Senior executive attention drifts.
- Too many decision makers.
- Decisions are not effectively framed.
- End-runs to the decision making process.

Success Drivers:

- Clear sponsorship.
- Broad representation.
- Efficient decision making.
- Clarity of roles and authority.
- Significant delegation.

16. Approved-Handbook Revision and iNtegrate Project Update – (Cont'd.)

Regent Wixom stated that, collectively as a Board, they need to have a vision of what needs to be achieved. Regents Wixom, Leavitt, Sisolak and Whipple met with UNLV students in an open forum and they generated ideas such as the need for on-line registration available 24/7 instead of only on a limited basis and an interactive on-line course catalog instead of a PDF. They also desire the ability to have on-line interactive counseling.

Regent Wixom stated that the first step in this process is for the Board to direct System staff to create a common data dictionary of terms so that everyone is speaking the same language. It will be important for the Board to come together with students and other stakeholders to state, in general terms, what the expectations are. This will provide a benchmark from which to select vendors and determine if the goals have been achieved.

Chair Whipple asked if each student would have one file for the entire System or one per institution. Regent Wixom replied that is a good example of what items need to be identified by the Board. Another example is cafeteria-style, that is the ability for students to determine, on-line, if courses are available at any of the institutions. Now is the critical time to make those decisions.

Regent Howard expressed her concern that if Regent Wixom is providing this presentation, what are the consultants being paid for. Executive Vice Chancellor Klaich responded that her question is perhaps better answered by what Regent Wixom has not been asked to do. Moran Technology Consultants have been charged with reviewing lengthy Requests for Proposals (RFPs) page by page and report back to the Board. They will also provide a report of the applicability between the first and second RFP request and will provide a plain-English translation of which of the two are better and which responses are closest to what is desired.

Regent Alden stated that it was apparent that the Board has not been as engaged as it could have been in previous projects. This project is very complicated with a lot at stake to provide a good clean information system for human resources, finance and student services. It is important that it is done right the first time and he urged he all Board members to attend the Technology Committee meetings to stay informed.

Regent Wixom stated that the task force has identified the three major areas of concern: student services, financial planning and human resources and that it is possible to implement them separately, simultaneously, or one without the other. He suggested that the Board set aside time to discuss these issues and determine what resources will be necessary.

Regent Dondero asked what security will be used for the system. Regent Wixom replied that it has yet to be determined but it will be very complex.

16. Approved-Handbook Revision and iNtegrate Project Update – (Cont'd.)

Regent Derby asked if a one-time package presentation will be provided to the Legislature with a request for funding. Regent Wixom replied that although certain funds have been set aside to begin the project, the Legislature will need to be approached to request the funds necessary to complete the project. He strongly felt that it was better to do it during this legislative session. Members of the Legislature have been invited to participate on this Committee so that it is not a surprise to them. It is also hoped that members of the K-12 system will be invited to attend Committee meetings so that their input can be gained.

Regent Rosenberg asked if an interface between higher education and K-12 will be considered. Regent Wixom stated that Vice Chancellor Nichols is working with the State Board of Education in anticipation of that issue and may want to address her progress to the Board. One suggestion is a common numbering system so students can transition from one system to the other seamlessly.

Vice Chancellor Nichols stated that every school district in the state of Nevada has a different numbering system which makes it extremely difficult to set a policy mandating one common identifier. In the near future a common identifier will be used to link students to create a shared database.

Executive Vice Chancellor Klaich stated that the model for funding this project involves three sources; the first down payment is \$17 million of state funds already identified by the Board; the second contribution would come from undistributed investment earnings in an amount of \$20 million already earmarked for this project; the third source will be in the form of a request for student contribution. The Board will be asked, at a future meeting, what an appropriate student contribution might be.

Regent Rosenberg stated if the students are going to be asked to help fund this system, it needs to be as user-friendly as possible. He also asked if the system will provide faculty with the flexibility to conduct student advisement on-line. Chair Whipple replied that these are precisely the issues that Regent Wixom is requesting the Board to address.

Regent Wixom stated that the next Technology Task Force meeting is scheduled for November 28, 2006. Chair Whipple recommended that the Board hold a special meeting at that time to make the necessary decisions to send clear directives to the Committee and consultant.

Regent Gallagher agreed that it was critical to have these meetings to ensure all Board members understand what is going on and what decisions need to be made.

Regent Schofield agreed with Regent Gallagher and requested that the Research and Economic Development Committee also be involved.

Regent Wixom stated that it would be very helpful for the entire Board to discuss the issues so that an honest assessment can be presented to the constituents.

16. Approved-Handbook Revision and iNtegrate Project Update – (Cont'd.)

Chair Whipple requested a special meeting of the Board of Regents be scheduled, for a period of three hours, as quickly as possible. Chair Whipple asked Mr. Frederick Kraus, President of the Graduate Professional Student Association-UNLV and the Nevada Student Alliance, to organize student input and submit it to Regent Wixom and the faculty senate chairs within two weeks. The faculty senate chairs will meet within two to three weeks to identify their requirements and communicate them to Regent Wixom.

Regent Schofield stated that involvement of the Presidents is also vital to this project's success. President Ashley stated that the Presidents would like to be present at the special meeting.

Regent Sisolak entered the meeting.

Regent Alden moved approval of the *Handbook* revision regarding a policy proposal authorizing the System to administer common data elements to ensure the integrity of System-wide common data. Regent Schofield seconded.

Regent Gallagher asked to clarify that the special meeting is going to merge with the Technical Task Force meeting already scheduled for November 28, 2006. Dr. Ken McCollum stated that the Task Force members have additional business to attend to and would request that the special meeting occur separately. Regent Wixom suggested that the special meeting be held the same day, either directly before or after, the Task Force meeting. Chair Whipple requested that Board staff arrange for and prepare the required public notification for the special meeting to be held on November 28, 2006.

Motion carried.

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV – (Cont'd.)

President Ashley provided a summary of the options as presented on October 12, 2006. Approval was sought for a new financial model to move the orthodontics program forward in light of the recently terminated contract with OEC. One of four options was requested to overcome the projected deficit.

Chair Whipple left the meeting.

Regent Sisolak stated that when this program was originally proposed, the advanced programs were to be subsidized with non-state funds. It is his hope that more thought is put into the proposed options than was put into the original proposal. He would also like more thought and time be put into this decision. He would like to add to the motion that the \$1.75 million must be paid back to UNLV. Rainbow Gardens was a gift provided to the University for the benefit of all students. The proceeds from the sale of assets should

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV –
(Cont'd.)

not be used for a short-term fix for a small group of students. He also requested that Counsel confirm that no restrictions were included on the original property gift.

Chancellor Rogers agreed with Regent Sisolak and stated that a good business should not be used to fund a bad one. He would really like to see the orthodontics program pay the \$1.75 million back to UNLV. He favors Option 1 with the addition of a repayment plan that is equitable for everyone. President Ashley stated that he was willing to return with a best effort to put the cost back to the group that receives the benefit. Originally, conservative estimates were used. UNLV should be able to repay the debt within 6 years but they would also look at 16-19 year options. Chancellor Rogers stated that he does not have a problem with a long-term payback. President Ashley committed to the Board that if the \$1.75 million from the sale of Rainbow Gardens is used, it will be replaced within 2-5 years from either other non-state discretionary funds or from revenues generated through tuition or other sources.

Regent Alden requested that in the future these types of proposals should be approved by the Budget and Finance Committee first. This one did not and, therefore, the proposal package is not complete. He agreed with Regent Sisolak regarding Option 1. He did not agree with spending one dime of the \$1.75 million sale of Rainbow Gardens unless it could be guaranteed that it will be paid back in a specific amount of time.

Chancellor Rogers requested that President Ashley make the commitment to amortize the \$1.75 million as a non-interest loan.

Regent Schofield stated that the situation was unfortunate; however, they were fortunate to be able to offer a school of orthodontics at UNLV.

Regent Wixom agreed conceptually with the \$1.75 million payback but stated they need to be careful not to overburden the program with debt. It was also important to remember that, because this was a new program, there will be unexpected expenditures in the future.

Chair Whipple returned to the meeting.

Regent Rosenberg stated that they had not known about the undesirable outcome when entering into the contract with OEC. The University has an obligation to protect its students. He stated that if in President Ashley's best judgment Option 1 was the best way to handle the situation and the \$1.75 million will be repaid, he would endorse it.

Regent Sisolak then asked if the \$7,500 paid twice will be sufficient or whether it would be necessary to increase that to \$8,000 or \$8,500. President Ashley stated that they have not done an alternate analysis but in his opinion, the two increases of \$7,500 will be enough to get back on track with an additional, thoughtful increase in approximately two years.

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV –
(Cont'd.)

Regent Sisolak moved approval of Option 1 based on the representation that UNLV will come forward to the Board with a plan to repay the \$1.75 million back into the proper acquisition account where the Rainbow Gardens money was deposited. Regent Leavitt seconded. Motion carried. Regent Howard abstained.

17. Information Only-Report: Ongoing Discussions with Sierra Nevada College, UNR & DRI - UNR President Milton D. Glick and DRI President Stephen G. Wells presented for information and possible action a status report on the ongoing discussions with Sierra Nevada College concerning the possible acquisition of the College (Ref. K on file in the Board office).

President Wells stated that this item was to be withdrawn from the agenda; however, he offered to provide a short summary. Two weeks ago, Presidents Glick and Wells provided a presentation to the Sierra Nevada College (SNC) Board of Directors. Their board had received two offers, one from NSHE and the other from Knowledge Learning Group. Knowledge Learning Group was the successful bidder, primarily because the College would retain their liberal arts program, which would not have existed with the NSHE plan. There are no further efforts for college acquisition although DRI's current programs at the school will continue.

Regent Dondero asked how much space their programs currently cover. President Wells replied that one building is predominantly occupied by SNC and UC Davis of which the first floor is a shared lab and office space with DRI.

15. Approved-Orthodontics Program Funding Options and Recommendations, UNLV -
(Cont'd.)

Regent Sisolak asked if Counsel had the opportunity to confirm what, if any, restrictions were part of the Rainbow Gardens sale. Mr. Richard C. Linstrom, UNLV General Counsel replied that he had reviewed the chain of title and confirmed the gift was unrestricted.

18. Information Only-2006 ACT College Readiness Report for Nevada – Ms. Stacey Ellmore, ACT Senior Consultant for West Region Elementary Secondary Services, presented the 2006 High School Profile for Nevada that provides information about the performance of 2006 graduating seniors. Topics included performance, access, course selection, course rigor, college readiness, awareness and articulation (Ref. L on file in the Board office).

Vice Chancellor Nichols stated that NSHE works very closely with ACT in Nevada. ACT provides data on student characteristics and NSHE has recently contracted with them to provide a study that will bring recommendations on remedial placement scores.

The results will show if NSHE's remedial cut scores are appropriate or are in need of adjustment.

18. Information Only-2006 ACT College Readiness Report for Nevada – (Cont'd.)

Ms. Ellmore stated that ACT is the only national college admission test that is curriculum based on proficiency in english, math, reading and the natural sciences. Her presentation today was based on the characteristics of the Class of 2006. ACT is very focused on college readiness and the ability of the students to transition from high school into college without remediation. In 2006, about 5,000, or 27%, of Nevada students took the ACT. On a scale of 1 to 36, the average score actually improved from 20.9 to 21.1. She offered to provide copies of the full report, including diversity statistics with average composite score results, if any Board members were interested in receiving a copy.

Ms. Ellmore stated that ACT is currently under contract with NSHE to research specific, focused information on students that have taken the ACT and their freshman level courses. Nationally they have determined that if students score at least an 18 in english, there is a 75% or better chance they will receive a C or better in the freshman composition course. For math the score is a 22, for reading it is a 21 and in science it is a 24. They are focusing on students in Nevada to provide NSHE with cut score recommendations. This information can also be extrapolated down to the middle school level. In Nevada, 72% of students met the minimum benchmark in english of 18; 46% met the minimum of 22 in math; 58% met the minimum of 21 in reading; 27% met the minimum of 24 in science; and 22% met all four benchmarks. Nationally about 21% of students met all benchmarks.

When students take courses beyond Algebra 2, their scores are significantly increased. They also seem to perform better in their college math classes. For the Class of 2006, students who had a minimum of or less than 32 core courses scored a 20.0. Minimum core students scored an 18.4, but as advanced math, trigonometry and calculus were added, students' scores rose significantly by 5.6 scale core. The same is true for science. Students who add a physics course raise their scores about 3.5 scale points. There is great focus on helping students understand that taking the right number and types of courses is very important.

Regent Dondero asked how they motivate students to take the tests. Ms. Ellmore replied that ACT was designed and developed as an entrance exam and students need to be advised to take it if they are even considering attending college. Vice Chancellor Nichols added that the Board has taken two actions that should improve students course taking: (1) university admission requirements have changed to place GPA requirements on courses; and (2) new requirements for the Millennium Scholarship that requires four years of math. There is also serious consideration for enhancing a web portal that students can start using in middle school to provide access to college information and requirements.

Regent Howard asked about the system used currently in the Clark County School District and other districts. Vice Chancellor Nichols stated that in the Clark County School District and throughout Nevada students have the choice of taking the SAT or

18. Information Only-2006 ACT College Readiness Report for Nevada – (Cont'd.)

ACT in their junior year. Clark County now administers the ETS test in the 10th grade. Regent Howard stated that the national average of 21.1 and Nevada's average of 21.5 are too similar to consider themselves "above average". She asked Ms. Ellmore what can be done to improve Nevada's scores. Ms. Ellmore replied that ACT has been focused on high school success and college persistence since 1959. Each level of test focuses on student readiness at age appropriate levels and is linked longitudinally so that performance can be evaluated over time. She also stated that ACT is a not-for-profit organization that has research, teacher support, curriculum worksheets and is also coming out with a new program called Quality Core that looks at embedded skills in the classroom and helps teachers to provide those skills.

Regent Howard asked why the slide displaying ethnicity was not in the packet. Ms. Ellmore replied that particular slide was added to the presentation that morning and she was unable to include it in the packet. However, she will provide copies of the full report to the Board. She also stated that African American students are lowest in graduation rates in Nevada as well as ACT scores and was concerned that students are not encouraged to take more rigorous courses because they are being set up for failure if they are not prepared. Until this is addressed, the scores will not improve within the System.

Ms. Ellmore stated that they know what colleges are requesting and a survey of college professors is conducted every three years to find out what students need to know as incoming freshmen. They are looking at skills that high schools expect of graduating seniors. They have a good idea of the skill sets necessary for student success but the next step is to get that information into the classroom. ACT is focusing much of this work right now at the middle school level. Assessments are only effective when the information is used.

Chair Whipple stated that the P-16 Council has noticed a disturbing trend that students with the lowest scores have the least experienced teachers.

Regent Dondero stated that she believes not all of the schools she has visited are getting the information regarding what the students need to take while still in grade and middle schools and was glad to see an emphasis being made in this area. Ms. Ellmore added that they are not just identifying skills the students have but what skills are necessary for their next level.

Regent Howard asked if transition without remediation is defined as college readiness. Ms. Ellmore replied that ACT defines college readiness as students' persistence and success rates without having to take remedial or pre-college courses. Regent Howard stated that her other area of concern was that the dropout rate for college freshman is somewhat high.

Regent Wixom asked Vice Chancellor Nichols if, in her opinion, the only way to use these materials effectively is to test 100% of the students. Vice Chancellor Nichols indicated her agreement and stated that the two larger school districts, Clark and Washoe Counties, are very proactive in requiring these tests. The problem is that Nevada's K-12 system is

18. Information Only-2006 ACT College Readiness Report for Nevada – (Cont'd.)
decentralized and each school district makes its own testing decisions. Ideally, it would be preferred to have a statewide testing model, paid for by the state. ACT would suggest testing in the eighth, tenth and eleventh or twelfth grades, but there are a variety of models and products in use.

Regent Wixom stated that, based on what is happening with the P-16 Council, the state of Nevada has a patchwork of disconnected tests. It would be his request that, at some point in time, the Board have a discussion and take a position on standardized testing to encourage the school districts to enter into some type of uniform testing mechanism that would be helpful to them and higher education. Chair Whipple agreed and stated that higher education needs to communicate its position through the P-16 Council and with the State Board of Education.

The meeting recessed at 10:07 a.m. and reconvened at 10:29 a.m. on Friday, October 13, 2006 with all members present except Regent Schofield.

19. Information Only-State Public Works Board 2007 CIP Recommendation –The Board discussed the State Public Works Board (SPWB) 2007 NSHE capital improvement project (CIP) recommendations. The SPWB met on September 25, 2006 to finalize their CIP recommendations to the Governor. Additional materials and information regarding the September 25, 2006 SPWB meeting were provided at the meeting (Ref. BF-10 on file in the Board office).
20. Approved-Resolution #06-06, Bank Loan Terms, Computational Research and Visualization Building, DRI – The Board approved DRI President Stephen G. Wells' request for a resolution regarding the terms for a \$1.5 million bank loan to partially fund DRI's Computational Research and Visualization Building (CRVB aka CAVE Building) (Ref. N on file in Board office).

Regent Alden moved approval of Resolution #06-06 regarding the bank loan terms for DRI's Computational Research and Visualization Building. Regent Anthony seconded.

Regent Wixom noted that there seemed to be some inconsistencies with the note itself and requested they be clarified. His first concern was that the application of payment seemed to be slightly inconsistent in the order of the application. Item #5 states that partial principal payment shall be applied to the principal under the note as directed by the Chancellor, etc. but then in Paragraph 12 it provides for a different priority of payment. Ms. Kendra Follette, Bond Counsel, Swendseid & Stern, clarified that #5 applies only to partial pre-payments and Paragraph 12 is a standard clause that deals with regular payments. Regent Wixom requested that the differentiation in types of payment, regular versus pre-payment, be referenced in Paragraph 12. Secondly, in the Notice Provision where it states five or more days, he requested that it be clarified if it was five or more business or calendar days. Third, he asked if this was principal plus interest or principal and interest. Ms. Follette agreed to specify calendar days. Ms. Follette

20. Approved-Resolution #06-06, Bank Loan Terms, Computational Research and Visualization Building, DRI – (Cont'd.)

indicated that the documents before the Board may not be identical because the Board was supplied with a draft copy of the RFP to meet the mail day deadline. The bids were received last Friday and were undergoing negotiation process until today. The final version was given to Fini Dobyns, Assistant Secretary to the Board today. Ms. Follette stated that the principal payments are made on an amortization schedule and interest is due. Therefore it was principal and interest. Regent Wixom asked if the amortization schedule could be changed from 360 to 365. Ms. Follette replied that 360 days is standard in the municipal market and is what was stipulated in the RFP. Regent Wixom also requested that in the Notice of Mail, there needs to be more specific directions such as via U.S. mail or certified mail. Ms. Follette replied that would be added in future RFP's.

Regent Alden understood that there are instances where timing is a problem but it would greatly assist the Board if the final documents were included in their meeting packets.

Regent Sisolak asked if the draft included in their meeting packets was even close to the final document, which they had not received. Ms. Follette replied that the documents are the same except for the financial terms. Regent Sisolak was concerned that staff did not have a final copy for the record. Mr. Wasserman confirmed that the final document had just been submitted for the record but there had not been an opportunity to make and distribute copies.

Regent Sisolak asked if the rate was still 5%. Ms. Kathleen Payne, Director, Banking and Investments, replied that for DRI it is 3.79%. The banks are typically asked to submit their bids the week of the Board meeting. If they were asked to submit them in time to make it into the meeting packet, the banks would have had to hold the interest rate for a longer period of time which would require more risk and generally result in a higher bid. Most of the RFPs that were received are only good until 5:00 p.m. today. Regent Sisolak understood the potential risk involved but at some point the Board needs to know what the final interest rate is before they can consider approval. Ms. Payne replied that due to the timing, it was not included in the documents they have but would be part of that day's presentation.

Regent Sisolak stated that the difference between 5% and 3.79% is a significant difference and asked why the final report was just now submitted when they had the information a week ago. President Wells stated that he would take responsibility for not providing the information to the Board but had assumed that the terms would be presented in that day's meeting, which has been the normal process. Chancellor Rogers stated that it would have been much more appropriate for the Board to have received a faxed alert with the new information so they are not forced to make a vote six hours before the deadline. As soon as they were received and the due diligence performed, the information should have gone to the Regents. Ms. Payne stated that, in the future, the information will be distributed as soon as it has been received.

20. Approved-Resolution #06-06, Bank Loan Terms, Computational Research and Visualization Building, DRI – (Cont'd.)

Regent Schofield entered the meeting.

Chair Whipple asked Ms. Payne to present the financial information so that a vote could be taken. Ms. Payne informed the Board that for this loan, 35 RFPs were requested with five bids received. Of those five, the interest rates varied from 3.79 to 4.95%. The bid for 3.79% with Bank of America was accepted not only because it quoted the best interest rate but also because it did not include other restrictive terms. The principal is \$1.5 million, and if approved, the funds will be received on October 26, 2006 with a final maturity date of September 1, 2021.

Chair Whipple asked that Regent Wixom's comments be applied to all future contracts.

Regent Alden requested clarification that, other than the financial terms, there is no difference between what they have in their meeting packets and what is contained in the final documents. Ms. Payne responded that except for the financial terms there were no other differences.

Motion carried.

21. Approved-Resolution #06-07, Construction Loan, Greenspun Hall Solar Power, UNLV –
The Board approved UNLV President David B. Ashley's request of a resolution to secure a loan from the Greenspun Family Foundation in the amount of up to \$1.7 million at 2% interest with final maturity no later than November 1, 2031. The loan will be used to fund a solar energy array that will be included in the new Greenspun Hall for the UNLV Greenspun College of Urban Affairs (*Ref. Q on file in the Board office*).

President Ashley stated that this resolution will allow for the construction of a photovoltaic array which will serve as a sun shield and is a key piece to this building's sustainability design. The source of the payment would be the energy savings generated by this equipment. The hand out reflected a slightly modified schedule showing \$1,367,770 at a rate of 2.9% instead of \$1.7 million at the commercial rate of 4.5%.

Regent Alden moved approval of Resolution #06-07 regarding a construction loan from the Greenspun Family Foundation to fund a solar energy array for use in the new Greenspun Hall at UNLV. Regent Rosenberg seconded.

Regent Geddes asked if there were any estimates available for the renewable energy credits. President Ashley replied that those were included in the evaluation and indicate an estimated 212,543 hours per year. Mr. Bomotti stated that their estimates are a bit conservative and the loan may be paid off before the estimated 19 years.

21. Approved-Resolution #06-07, Construction Loan, Greenspun Hall Solar Power, UNLV – (Cont'd.)

Mr. Bomotti replied that it is standard language and the intent is to repay the loan from the energy savings. If that is not possible, the facilities program will have to make those payments. Regent Wixom stated that he had the same question regarding the language and asked if it was pursuant to Nevada Revised Statute. Ms. Kendra Folette, Bond Counsel, Swendseid & Stern, replied that per Chapter 396 under NRS, payments can only be made from “legally available funds.” Regent Sisolak requested a copy of the applicable statute.

Motion carried.

22. Approved-Resolution #06-08, Financing for UNR Campus-wide Telephone System and Refinancing Outstanding Loans/Bonds, UNR & TMCC – The Board approved UNR President Milton D. Glick’s request for a resolution to secure financing up to \$6,615,000 for a term not to exceed 10 years for the acquisition of a new UNR campus-wide telephone system (\$5,000,000). Additionally, as a part of this financing, the Board approved Presidents Milton D. Glick’s and Philip M. Ringle’s request to refinance certain outstanding loans/bonds for UNR (\$855,000) and TMCC (\$760,000), respectively, in order to reduce interest expense (Ref. P on file in the Board office).

President Glick stated that they are in the extraordinary situation of having 97 different phone systems.

Dr. Steve Zink, Vice President, Technology, provided a PowerPoint presentation (*Broadening the Path to Digital Convergence - New Telephone System – University of Nevada, Reno on file in the Board office*). The system being proposed is NEC Univerge NEAX2400 and although the system is voice over IP (VOIP) capable, that particular feature is not being installed at this time. Coordination of the phone system is part of an overall campus strategy for a more efficient and economical information and technology infrastructure.

Regent Alden moved approval of Resolution #06-08 regarding financing for a UNR campus-wide telephone system and refinancing of outstanding loans and bonds at UNR and TMCC. Regent Rosenberg seconded.

Regent Alden asked if Legal Counsel had reviewed the agreements. Chief Counsel Patterson responded that they had reviewed them briefly. Regent Alden stated that he would recommend approval provided the Chancellor and the Vice Chancellor of Finance advised that there is adequate cash flow to resolve the debt. Executive Vice Chancellor Klaich requested that the financing portion be separated from the contract for the phone system because the contract has different time frames that have to be met. He, as well as Ms. Mary Dugan, General Counsel-UNR, had reviewed the contract in anticipation of any questions and were amazed at its specificity. The contract was negotiated through the assistance of nationally known consultants.

22. Approved-Resolution #06-08, Financing for UNR Campus-Wide Telephone System and Refinancing Outstanding Loans/Bonds, UNR & TMCC – (Cont'd.)

Regent Wixom asked Ms. Payne to submit all agreements that require financing to the Vice Chancellor of Finance for review prior to Board presentation. Ms. Payne stated that this will occur in the future.

Regent Sisolak asked about the rate. Ms. Payne responded that 35 RFPs were submitted and eight bids were received. The interest rate is 3.74% with the final maturity date of August 1, 2016. The final principal amount is \$6,599,003. Regent Sisolak asked what the rates were on the TMCC and UNR bonds. Mr. Scott Nash, J & A Consulting, stated that this request for financing provides new money for the telephone system and refinances two other loans. The loan that is being refinanced for UNR was at a rate of 5.82%; the TMCC loans were at various rates with an average of approximately 5.5%. The request to accept the bid for 3.74% will replace these loans in addition to providing money for the new telephone system. Regent Sisolak stated that he understood from previous requests that when refinancing bonds, at least a 2% difference was required. Mr. Nash responded that 2% is calculated by taking the savings and applying that against the principal amount to be borrowed. As stated earlier, the principal is \$6,599,003. \$5 million of that is for the UNR phone system, \$844,000 is for the UNR bank loan and \$754,000 is for the TMCC loans. When considering the percentages based on their share of the loan it works out to be a savings of about 5% for UNR and 7.7% for TMCC. Regent Sisolak asked how the savings for UNR can be 5% if the interest was 5.82% to begin with. Mr. Nash replied that when refinancing is measured, they do not look at the drop in rate as much as they look at the amount of savings received when combined with the new loan.

Ms. Payne clarified that there has always been a requirement for at least 2% present value savings not a 2% drop in interest rate. Regent Sisolak stated that was not the way it was explained to him two years ago.

Regent Sisolak asked if there were any outstanding maintenance contracts on the current various phone systems. Dr. Zink replied that there were not. Regent Sisolak asked if he was sure that there were no outstanding maintenance contracts on all 97 different phone systems. Dr. Zink assured Regent Sisolak that there were not. Regent Sisolak was concerned they would continue to pay for services that are no longer needed until it is discovered in a future audit. Dr. Zink explained that over the years, each building purchased their own system to reduce the number of lines but there was no central coordination. A complete inventory of all lines has been conducted.

In response to Regent Wixom, Ms. Payne indicated there were no prepayment penalties.

Regent Sisolak thanked President Glick and Dr. Zink for providing a copy of the contract prior to the Board meeting so that he was able to answer many of his own questions.

22. Approved-Resolution #06-08, Financing for UNR Campus-Wide Telephone System and Refinancing Outstanding Loans/Bonds, UNR & TMCC – (Cont'd.)
Chair Whipple stated that it was important for all information to be provided to the System office as early as possible for inclusion in the meeting packet or for special mailing.

Motion carried.

Regents Alden and Derby left the meeting.

23. Denied-Resolution, 2006 Ballot Question No. 7, Regulation of Marijuana – The Board failed to approve a resolution expressing the Board's position on Ballot Question No. 7 concerning the regulation of marijuana. Regents Stavros S. Anthony, Bret Whipple and Michael B. Wixom requested the Board consider Ballot Question No. 7. Ballot Question No. 7 proposes to amend the *Nevada Revised Statutes* to allow and regulate the sale, use and possession of one ounce or less of marijuana by persons at least 21 years of age, impose licensing requirements on marijuana retailers and wholesalers, allow for the sale of marijuana by licensed marijuana retailers and wholesalers, impose taxes and restrictions on the wholesale and retail sale of marijuana, and to increase the criminal penalties for causing death or substantial bodily harm when driving while under the influence of drugs or alcohol (*Ref. Q on file in the Board office*). The Board discussed the impact of the ballot question on the NSHE.

Regent Anthony thanked Chair Whipple and Regent Wixom for sponsoring this item. If Ballot Question #7 is passed, it will allow Nevada to be the only state in the country with legalized marijuana, will violate federal law as well as send the wrong message to our youth that it is acceptable to get high. He wanted the Board, as representatives of the Nevada System of Higher Education, to send a clear message to the citizens of Nevada that they are against legalizing marijuana.

Regent Anthony moved approval of a resolution stating the Board's opposition to Ballot Question No. 7 and efforts to legalize the use of marijuana.

Chief Counsel Patterson stated that the Attorney General's office was asked to provide a ruling as to the legality of the Board to adopt such a position. The Attorney General chose not to issue an opinion and determined it more an ethical than a legal issue. Chief Counsel Patterson, Special Counsel Nielsen and Executive Vice Chancellor Klaich have determined that the ethical issues applied to each member of the Board, not to the Board as one entity. Their research has concluded that the Board can legally take action on this resolution. The next question is if the Board should be involved in this type of political discussion, which is not a legal questions and one that the Board must answer for itself.

Regent Sisolak stated although he does not advocate the use, possession, or sale of marijuana he feels that it is important that all sides of an issue be heard prior to voting. He asked Chief Counsel Patterson if the Board could take a stance on a political candidate. Chief

23. Denied-Resolution, 2006 Ballot Question No. 7, Regulation of Marijuana – (Cont'd.)
Counsel Patterson replied that there are rules on endorsement of political candidates; however, the precise issue is that a public entity cannot incur expenses to support or oppose ballot questions. There is an exception for a press release or a notice on a public website and, in his opinion, a Board resolution is more in the nature of a press release and does not incur expenses to support or oppose the ballot question. Regent Sisolak disagreed and stated that it takes significant, scant state resources to produce the agenda and hold the meeting and he therefore could not support Regent Anthony's initiative.

Regent Geddes stated that he has personally fought against the legalization of marijuana and supports law enforcement in their efforts but he does not believe it is a prerogative of this Board to vote on any ballot question.

Regent Schofield stated that he will take a stand to support opposition of this initiative.

Regent Gallagher expressed her concern regarding the effects that political issues will have on a non-partisan Board. She is personally very much in favor of Regent Anthony's resolution, but expressed her concern for setting a precedent.

Regent Wixom stated that he understands what Regents Sisolak and Geddes have said and appreciates the arguments presented; however, he believes that the issue needs to be addressed from a slightly different perspective. At the previous days Cultural Diversity and Security Committee, there were some lengthy discussions regarding UNR/UNLV football games with respect to the use of alcohol being magnified many times by the abuse of other substances such as marijuana. He believes that if the initiative passes, the System will be faced with a host of issues that are problematic. He believes that it is appropriate for the Board to support this initiative because of the connection with people attending functions on System property and its direct impact on the Regents' responsibility to ensure the safety of those who visit System campuses. He also agreed with Regent Gallagher about the need for discussion of an overall policy on political issues.

Regent Dondero stated that she will vote in favor because of the impact it would have on the institution itself as well as the impact to the users in the area of health, reasoning, attendance, and their participation in events and sports.

Regent Rosenberg stated that the basis of a good strong education is to provide students with the best information possible and to allow students to make their own decisions. He appreciated Regent Anthony's stance on this issue but he would not vote in favor.

Regent Anthony stated that he appreciates his colleagues' comments but, unless he is wrong, a precedent has already been set with other initiatives. This agenda was posted, the public knew the Board was going to discuss this issue and no one showed up. This initiative will have an impact on higher education if it is passed.

Regent Sisolak stated that he has the utmost respect for Regent Anthony as an individual and for the job he performs. However, he did not remember passing a resolution on any political initiatives. Executive Vice Chancellor Klaich stated that he

23. Denied-Resolution, 2006 Ballot Question No. 7, Regulation of Marijuana – (Cont'd.) believed the initiative that Regent Anthony referred to was not passed in the form of a resolution but rather the Board provided direction for administration to lobby against a bill. Regent Sisolak stated that although he understands it is a campus health and safety issue, he was not comfortable with the use of state resources.

Regent Howard stated that she was also uncomfortable with the political position they were being asked to take and was also interested in hearing the opposing side. She was very concerned that taking a stand on this issue could negatively impact the Board and felt it was too political.

Regent Leavitt stated that this is a non-partisan Board and must remain that way. He was not sure that the Board would want to venture into the realm of making political statements even if many of the individual Board members think that it is right, noting the Board has worked so hard to overcome the north-south, republican-democrat competitions.

Regent Schofield stated that there is no place for the use of controlled substances at sporting events and he has personally witnessed its influence.

Chair Whipple stated that, for himself, he felt this is an important issue if only one person was reached. He would vote in support of Regent Anthony's resolution.

Regent Anthony stated that he was glad to hear from his colleagues and understood that the main cause for concern was due to the potential political ramifications.

Regent Schofield seconded. Upon a role call vote, the motion failed to receive seven affirmative votes required for official action of the Board. Regents Anthony, Dondero, Gallagher, Schofield, Whipple and Wixom voted yes. Regents Geddes, Howard, Rosenberg and Sisolak voted no. Regent Leavitt abstained. Regents Alden and Derby were absent.

24. Information Only -Handbook Revision, Communication Between Presidents and Regents - The Board discussed the issue of increased communication between the NSHE Presidents and the Regents. The Board requested the Presidents' input regarding when a "Regents' Alert" should be issued by a President and when communication with the Regents regarding particular issues should occur. The Board considered a *Handbook* revision providing policy guidance to the campuses concerning the issuance of Regents' Alerts and other communications with the Board, or adopting a change to the Bylaws (*Title I, Article V, Section 4*). This was the first reading of a proposed Bylaw change. Final action will be taken in December (Ref. R on file in the Board office).

Regent Rosenberg moved to approve a *Handbook* revision regarding communication between Presidents and Regents. Regent Gallagher seconded.

24. Information Only -Handbook Revision, Communication Between Presidents and Regents
– (Cont'd.)

Mr. Wasserman pointed out that this is the first reading of the proposed policy change. The Board cannot take action until the December meeting.

Regents Rosenberg and Gallagher withdraw the motion.

Regent Alden entered the meeting.

25. Approved-Handbook Revision, Data Security Policy – The Board approved a policy on data security (*Title 4, Chapter 1, Section 22.7*) providing that each institution must develop and maintain policies, standards, and/or procedures that describe and require appropriate steps to protect sensitive data that is maintained on an institution's computing devices or transmitted across a public network such as the Internet (*Ref. S on file in the Board office*).

Ms. Crystal McGee, Assistant Vice Chancellor for Academic and Student Affairs, reported that this proposal expands upon the existing policy concerning the use of computer devices. Specifically, it requires each campus to develop policies and procedures to protect data on computer devices, specifically on data that is transferred across any type of public network such as the internet. It will require each campus to inventory where and how data is stored, both physically and electronically, and will require that they develop a response plan if data is inadvertently or inappropriately released. These types of occurrences are happening more and more both within and outside offices of higher education across the country. This revision will provide the Board with the opportunity to send a signal to the campuses that they have to be prepared for these situations.

Chair Whipple requested clarification if this was informational or an action item. Mr. Wasserman responded that this was an action item to revise Title 4 and required only one hearing.

Regent Wixom moved approval of the *Handbook* revision regarding a data security policy. Regent Gallagher seconded.

Regent Sisolak asked how much System data is stored on laptops throughout the campuses and if individuals with laptops have access to personal, confidential information. President Ashley replied that he cannot answer for UNLV as yet, but speaking from prior experience, he believes that at times such as during the admissions recruitment process social security numbers will be entered as part of the student's identification number. Regent Sisolak asked if there should be a policy that restricts people from taking the laptops home. Ms. McGee replied that during the research process they did not see a policy prohibiting employees from taking their laptops home or prohibiting the type of information that can be kept on a laptop.

25. Approved-Handbook Revision, Data Security Policy – (Cont'd.)

Regent Sisolak asked if this policy would be applicable to personal laptops or System provided laptops. Ms. McGee stated that this policy would apply to System owned laptops and also pointed out that the proposed policy takes into account data on students, staff and faculty.

Dr. Robinson stated that the Technology Task Force has a written policy on laptops and offered to share this policy with Ms. McGee as a starting point.

Regents Geddes, Howard, Leavitt and Wixom left the room.

Chair Whipple asked Vice Chancellor Nichols to bring back to a future meeting an item to address exposure with this type of information. Vice Chancellor Nichols replied that the policy itself will get at the answers that Regent Sisolak is asking for. For the first time there will be a policy in place that states the institutions have to protect not only the System but they must also establish an inventory of locations where data might be stored. If this policy is passed, the institutions will have to collect an inventory of where there may be data stored anywhere including on laptops.

Regent Derby entered the meeting.

Motion carried. Regents Geddes, Howard, Leavitt and Wixom were absent.

The meeting recessed at 12:10 p.m. on Friday, October 13, 2006 and reconvened at 12:31 p.m. with all members present except Regents Derby, Howard, Leavitt and Schofield.

26. Information Only-Nevada Blueprint for the Future – Vice Chancellor Jane Nichols proposed a timeline for development of an update to the Board's Master Plan resulting in a Blueprint for the Future of Nevada's colleges and universities. Based on the Board's input on this potential Blueprint at the August 2006 meeting, the proposal outlined a process for defining the Board's vision of where higher education in Nevada should be headed in the future. It involves: 1) setting key policy issues; 2) identifying critical data elements; 3) establishing principles for priority setting; and 4) setting strategies for engaging the business community, K-12, the Governor, and the Legislature in conversations about the future of higher education in Nevada. The timeline establishes a topical calendar over the next five Board meetings, culminating in a workshop and the possible hiring of a consultant (*Ref. T on file in the Board office*).

Regent Schofield entered the meeting.

Vice Chancellor Nichols stated that, in response to previous Board discussion, she would recommend that upon conclusion of the next legislative session, the Board meet in a summit, roundtable, retreat, or some other structure to define its vision for a potential update of the Board's Master Plan. She suggested that a series of information be presented at each meeting, beginning in December or January, to provide a comprehensive update on the current status of the master plan, with information regarding

26. Information Only-Nevada Blueprint for the Future – (Cont'd.)
what the System is facing and to look at the principals of other master plans across the country for higher education that have enabled boards to make difficult decisions. A tentative timeline was provided in the Board packet.

Regent Sisolak left the meeting.

Regent Gallagher asked Vice Chancellor Nichols if she predicted anything radically different than what has been presented to the Legislature. Vice Chancellor Nichols responded no, the principals of the current master plan are sound. The reasons to revisit apply primarily to implementation.

Chair Whipple stated that this is a positive step and agreed that to wait until after the first of the year to pursue it further.

Regents Derby and Leavitt entered the meeting.

27. Approved-Strategic Plan, TMCC – The Board approved TMCC President Philip M. Ringle's request for the 2006-2012 TMCC Strategic Plan (*Ref. U on file in the Board office*).

President Ringle was pleased to present work of TMCC's Planning Council and Planning Committee that will guide them into the future. The progress made from the last plan includes significant progress on each of the seven strategic initiatives and a facilities master plan. He was pleased to announce that the Spanish Springs facility had received another gift of two additional acres of land valued at approximately \$800,000, so there is sufficient land to build that facility. The plan also includes a comprehensive accreditation self-study, a drafted comprehensive academic master plan, an enrollment management plan, a marketing plan, development of new programs, strengthened student services, established evaluation and review strategies as well as strengthened budgeting, resource allocation and accounting areas (*Strategic Plan – 2006-2012 on file in the Board office*).

Regent Sisolak entered the meeting.

Regent Dondero asked if they had the appropriate number of counselors to serve the increased student population. President Ringle replied that they could not hire the number needed but have asked the current faculty to take on extra responsibilities.

Regent Derby stated that her daughter attended TMCC and had expressed her positive experience there.

Regent Derby moved approval of the 2006-2012 TMCC Strategic Plan. Regent Wixom seconded. Motion carried. Regent Howard was absent.

28. Approved-Strategic Plan, WNCC – The Board approved the 2006-2012 WNCC Strategic Plan. WNCC President Carol Lucey reported on the Western Nevada Community College 2000-2006 Strategic Plan outcomes (*Ref. V on file in the Board office*).

28. Approved-Strategic Plan, WNCC – (Cont'd.)

President Lucey introduced the Chair of the Strategic Planning Committee, Professor Michon Mackedon. Professor Mackedon was honored by her colleagues this year as Faculty Member of the Year. She is also a published author, has some expertise in the area of nuclear weapons testing and is the Chair of the Division of Communication and Fine Arts and is one of WNCC's outstanding faculty.

President Lucey provided a presentation of the outcomes of the WNCC strategic plan 2000-2006 (*Report on WNCC Strategic Plan 2000-2006 Outcomes on file in the Board office*).

Professor Mackedon presented the WNCC Strategic Plan 2006-2012 (*Report on WNCC Strategic Plan 2006-2012 Outcomes on file in the Board office*).

Chair Whipple asked what they feel is a reasonable graduation rate for their community. President Lucey replied that their research has concluded that by 2012 they will increase their graduation rate to 30%.

Chair Whipple asked what percent of their students transfer to UNR and graduate. President Lucey replied that the number reported as transfers are also the number that has graduated. Chair Whipple asked if she new what percentage of students transfer after one year. President Lucy replied that because that type of information is not available, they look at those who complete a degree.

Regent Derby complimented their report for itemization of the goals, showing their progress made and providing information on their next steps. It allows for a clear sense of the progress they have made. President Lucey introduced two other members of the Committee, Mr. Dennis Mankel, Student Senate Chair-WNCC and Mr. Daniel Neverett, Interim Vice President of Finance Administration.

Executive Vice Chancellor Klaich stated that he was very impressed with the way their information was presented, showing both its significance and that they are really motivating people.

Chair Whipple asked what percentage of the local high school students continue on to WNCC. President Lucey replied that 31% of students from Carson High School transfer to WNCC. Chair Whipple asked if there are housing accommodations near the campus for those students in the rural areas. President Lucey replied that it was still tough for students to find housing but with the increased bonding authority approved by the Board at their last meeting, they are exploring residence halls and will present their information at a future meeting.

Regent Schofield thanked President Lucey for setting high goals and encouraged her to continue to reach high.

Regent Derby moved approval of the 2006-2012 WNCC Strategic Plan. Regent Rosenberg seconded. Motion carried. Regent Howard was absent.

29. Approved-Audit Committee Recommendations - Chair Steve Sisolak reported the Audit Committee met October 12, 2006 and received follow-up responses for twelve internal audit reports that were presented to the Audit Committee at the January, March and June 2006 meetings.

Ms. Denise Baclawski, Executive Director, UNR Fire Science Academy, reported on the status of the University of Nevada, Reno Fire Science Academy. The FSA enrolled 4,552 students during the year ended June 30, 2006 compared to the forecasted enrollment of 4,385. Revenue of \$4,285,000 exceeded forecasted revenue by \$367,000. Expenses exceeded the forecast by \$497,000 primarily due to increased fuel costs.

The Committee asked for the following items to be placed on the next Audit Committee agenda:

- A follow-up response for the UNR Libraries computer environment audit findings related to fire safety.
- A follow-up response for the TMCC E.L. Cord Foundation Child Care Center audit.
- The UNR Fire Science Academy will provide an updated report on how they will address fuel costs and class pricing in the future.
- The Whistleblower Hotline discussion.
- The Business Officers Council was asked to develop a plan to address System-wide policies, including, but not limited to, purchasing cards, travel, tipping, cash policies, records retention and athletic trade outs.

Regent Sisolak requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the August 17, 2006 Committee meeting (*Ref. A-1 on file in the Board office*).
- Internal Audit Reports – The Committee recommended approval of the following internal audit reports: (*Audit Summary Document*)
 - ✓ Libraries Computer Environment, UNR (*Ref. A-2 on file in the Board office*).
 - ✓ Cannon Survey Center in Educational Outreach, UNLV (*Ref. A-3 on file in the Board office*).
 - ✓ Center for CyberMedia Research, UNLV (*Ref. A-4 on file in the Board office*).
 - ✓ Center for Democratic Culture, UNLV (*Ref. A-5 on file in the Board office*).
 - ✓ Center for Energy Research, UNLV (*Ref. A-6 on file in the Board office*).
 - ✓ Purchasing Card Program, UNLV (*Ref. A-7 on file in the Board office*).
 - ✓ Presidential Exit Audit, NSC (*Ref. A-8 on file in the Board office*).
- Audit Work Schedule - The Committee recommended approval of the Audit Work Schedule for fiscal year 2006-07 (*Ref. A-21 on file in the Board office*).
- Internal Audit Department Staffing – The Committee recommended approval of changes concerning the audit department staffing, start dates and funding potential (*Ref. A-22 on file in the Board office*).
- Change in Scope, External Audit – The Committee recommended approval of a request from the NSHE external auditors for additional costs for a change in scope of the external audit (*Ref. A-25 on file in the Board office*).

29. Approved-Audit Committee Recommendations – (Cont'd.)

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

30. Approved-Budget & Finance Committee Recommendations - Chair Mark Alden reported the Budget & Finance Committee met October 12, 2006 and heard the following reports:

- A student financial aid report for the NSHE institutions comparing budget to actual expenditures for both state and non-state funding.
- Actual state appropriated/authorized funding available per full-time equivalent (SFTE) enrollments for the NSHE universities and colleges for fiscal year 2005-2006.
- Self-supporting budget revisions for the first quarter of fiscal year 2006-2007.
- State operating budget transfers for the first quarter of fiscal year 2006-2007.
- State Operating Budget to Actual Comparison for fiscal year 2005-2006.
- NSHE Fiscal Exceptions of self-supporting budgets for the fourth quarter of fiscal year 2005-2006.
- Transfers of non-state expenditures to state funds after May 1, 2006 for fiscal year 2006-2007.
- Institutional operational efficiencies implemented by the NSHE institutions through fiscal year 2005-2006 to increase productivity and thereby reduce waste and cost.
- State Public Works Board (SPWB) 2007 NSHE capital improvement project recommendations (Ref. BF-10 on file in the Board office).

Regent Alden requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the August 17, 2006 Committee meeting (Ref. BF-1 on file in the Board office).
- Request for Information from Previous Meetings - The Committee recommended approval of a policy proposal clarifying the appropriate use of state appropriated funds allocated for student financial aid (Bound Report on file in the Board office).
- Fiscal Year 2005-2006 State Accountability Report, Board of Regents' Approved Budget to Actual – The Committee recommended approval of the fiscal year end 2005-2006 State Accountability Report, reconciling the Board of Regents' approved budget to the fiscal year end actual revenues and expenditures (Bound Report on file in the Board office).

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

Regent Alden stated that the Committee requests approval of a policy proposal, Title 4, Chapter 9; Chapter 17, Section 1 (in part); and Chapter 18, Section 18. Chair Whipple asked why this request was separated from Regent Alden's Committee report. Regent

30. Approved-Budget & Finance Committee Recommendations – (Cont'd.)

Alden replied that he felt this proposal was important enough for full Board consideration. Executive Vice Chancellor Klaich stated that there were a number of policy issues that were addressed by the Committee on this agenda. The Committee felt that it was appropriate to draw separate attention that a policy matter was being recommended.

Regent Sisolak stated that this was the result of an issue at the Great Basin College meeting where scholarship money was inappropriately diverted to another purpose. This issue was thoroughly vetted by the Audit Committee, but the Committee wanted the full Board to realize the policy change that prohibits the removal of money from the scholarship funds but the Presidents can move more money from other functions back into the scholarship funds. Executive Vice Chancellor Klaich noted this was recommended with the concurrence of all the Presidents who assisted in drafting the policy.

Regent Derby moved approval of the policy proposal to Title 4, Chapter 9; Chapter 17, Section 1 (in part); and Chapter 18, Section 18. Regent Dondero seconded. Motion carried. Regent Howard was absent.

Regents Wixom and Schofield left the meeting.

31. Approved-Cultural Diversity and Security Committee Recommendation - Chair Stavros S. Anthony reported the Cultural Diversity and Security Committee met October 12, 2006 and received a report on the security measures at the Lawlor and Thomas and Mack event centers as requested at the March 2006 meeting and an overview by Special Counsel Brooke Nielson on related legal issues. Ms. Linda Heiss, NSHE Director of Institutional Research, presented the 2005-06 NSHE Diversity Report that provided an overview of the ethnic distribution among NSHE students and faculty. The Committee also reviewed the Student to Teacher Enlistment Program (STEP), a Clark County School District, CCSN and NSC project that encourages ethnic minority high school students to become teachers. In addition, UNR presented their emergency response plan regarding a possible pandemic flu outbreak.

Committee members requested future agenda items on P-16 diversity data, alcohol use policies and practices within NSHE, current practice related to background checks of NSHE employees in daycare centers and institutional response plans for pandemics and/or epidemics.

Regent Anthony requested Board action on the following Committee recommendation:

- Minutes – The Committee recommended approval of the minutes from the August 17, 2006 Committee meeting (Ref. CDS-1 on file in the Board office).

31. Approved-Cultural Diversity and Security Committee Recommendation – (Cont'd.)

Regent Anthony moved approval of the Committee recommendation and acceptance of the report.
Regent Alden seconded.

Chair Whipple asked whether a System-wide emergency response plan exists. Regent Anthony replied that each institution has been asked to develop a general response plan.

Regent Schofield entered the meeting.

Regent Derby stated that a System-wide plan would not be appropriate because the institutions are so diverse.

Regent Sisolak asked for clarification on the difference between a pandemic and an epidemic. Regent Derby replied that an epidemic can happen locally on a campus while a pandemic occurs worldwide.

Regent Wixom entered the meeting.

Motion carried. Regent Howard was absent.

32. Approved-Student and Academic Affairs Committee Recommendations - Chair James Dean Leavitt reported the Student and Academic Affairs Committee met October 12, 2006, adding that due to certain items the Committee discussed, the report would be presented in two parts. He reported that the Committee postponed the agenda items on the GEAR UP grants programs, the 2006 *Transfer/Articulation Campus Review* and the first and third year program reviews to the next meeting. Regent Leavitt requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the August 17, 2006 Committee meeting (*Ref. SAA-1 on file in the Board office*).
- New Unit Proposals – The Committee recommended approval of the following new unit proposals:
 - ✓ Center for Autism Spectrum Disorders, UNLV (*Ref. SAA-4 on file in the Board office*).
 - ✓ Nevada Nanotechnology Center, UNLV (*Ref. SAA-5 on file in the Board office*).
 - ✓ Department of Recreation & Sports Management, UNLV (*Ref. SAA-6 on file in the Board office*).
 - ✓ School of Social Research & Justice Studies, UNR (*Ref. SAA-10 on file in the Board office*).
- New Program Proposals – The Committee recommended approval of the following new program proposals:
 - ✓ Master of Science, Counselor Education, UNLV (*Ref. SAA-7 on file in the Board office*).
 - ✓ Master of Arts, Journalism & Media Studies, UNLV (*Ref. SAA-8 on file in the Board office*).

32. Approved-Student and Academic Affairs Committee Recommendations – (Cont'd.)

- New Degree Proposals – The Committee recommended approval of the following new degree proposals:
 - ✓ Master of Health Care Administration (MHA), UNLV (Ref. SAA-9 on file in the Board office).
 - ✓ Master of Arts, Speech-Language Pathology, NSC (Ref. SAA-12 on file in the Board office).
- New Major Proposals – The Committee recommended approval of the following new major proposal:
 - ✓ Bachelor of Science and Bachelor of Arts, Environmental Studies, UNR (Ref. SAA-11 on file in the Board office).

Regent Leavitt stated that, in response to the August 4, 2006 special Board meeting, staff brought to the Committee, for a first hearing, policy proposals on degree revocation, disciplinary proceedings and expunging of a student's disciplinary records. Based on the discussion a revised version of the degree revocation policy will be brought back to the Board in December for final action. This degree revocation policy outlines: 1) the circumstances under which a degree may be revoked for serious academic misconduct prior to the award of the degree and 2) the process to be followed. After appropriate due process for the graduate, the President is given the authority to revoke the degree and the charged party may appeal to the Board of Regents under this proposed policy. The suggested revisions to the policies on disciplinary proceedings and the expunging of student records were more substantial. Therefore, these policies will be brought back for a second hearing in December to the Committee and final action by the full Board in January.

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

33. Approved-Investment Committee Recommendations - Chair Thalia M. Dondero reported the Investment Committee met October 6, 2006 and discussed the following:

- Status of property acquisition in Pahrump, Nevada for GBC.
- Private corporation leases for GBC.
- Campus development for NSC.
- Property account review for UNLV.
- Property holdings of DRI.
- Construction of an apartment complex for the CCSN Henderson campus.

Regent Dondero requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the August 11, 2006 Committee meeting (Ref. INV-1 on file in the Board office).
- Amendment to Contract and Contract Renewal, UbiquiTel, UNR – The Committee recommended approval of an amendment to the contract and a five-year contract renewal of the contract with UbiquiTel Leasing Company due to an equipment change (Ref. INV-2 on file in the Board office).

33. Approved-Investment Committee Recommendations – (Cont'd.)

- Roof Top Lease with Cricket Communications, UNR – The Committee recommended approval of a roof top lease with Cricket Communications through November 2011, subject to an amendment of the contract to increase the insurance liability coverage. The Committee requested the contract be brought back to the Committee prior to exercising any renewal options (*Ref. INV-3 on file in the Board office*).
- AT&T Nevada Easement, UNR – The Committee recommended approval of a grant of easement to AT&T Nevada to expand an existing AT&T utility easement at the Main Station Field Laboratory, subject to an amendment of the easement grant to include language that AT&T will be responsible for all damages except for acts of the university (*Ref. INV-4 on file in the Board office*).
- Transfer and Banking of Water Rights, UNR – The Committee recommended approval of an agreement between the Board of Regents and Truckee Meadows Water Authority (TMWA) to transfer and bank 67.0 acre-feet of water rights with TMWA for future projects from the 506.94 acre-feet of water rights allocated to the main campus, subject to an amendment of the deed to reference the terms of the water banking agreement (*Ref. INV-5 on file in the Board office*).

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

34. Accepted-Board Development Committee Report - Chair Howard Rosenberg reported the Board Development Committee met October 6, 2006 and held the following discussions:

- The Committee discussed Ballot Question No. 9 (*AJR 11*) and the impact it may have on the future structure and functioning of the Board (*Ref. BD-1 on file in the Board office*).
- The Committee reviewed the roles of the Board and Chancellor in the discipline of Presidents of the NSHE. After a full review and consideration by the Committee, a proposed change to the Bylaws of the Board of Regents concerning these roles was withdrawn.
- The Committee reviewed the provisions of the Bylaws governing the election of the Chair and Vice Chair of the Board. After a full review and consideration by the Committee, a proposed change to these provisions of the Bylaws of the Board of Regents was withdrawn.
- The Committee discussed the calendaring of future meetings, including an orientation meeting for new members of the Board, tentatively scheduled for January 19, 2007.
- The Committee discussed topics and dates for the next Board workshop, tentatively scheduled for April 19-20, 2007.

Regent Rosenberg moved acceptance of the Committee report. Regent Gallagher seconded.

34. Accepted-Board Development Committee Report – (Cont'd.)
Regent Anthony asked if, in light of the previous discussion regarding Ballot Question #7, the Committee decided on action or involvement with Ballot Question #9. Regent Rosenberg clarified that the Committee recommended not taking action. Regent Sisolak stated that this was consistent with the Board's previous discussion.

Motion carried. Regent Howard was absent.

35. Approved-Research and Economic Development Committee Recommendation - Chair Jack Lund Schofield reported that the Research and Economic Development Committee met on October 5, 2006. Executive Vice Chancellor Klaich provided the Committee with an update on the project to reduce the salinity of and increase the water level in the Walker River Basin. The Committee also received reports from Sandy Haslem, Director of the Management Assistance Program (MAP); Kay Morman, CCSN Dean of Workforce and Economic Development; and Jim New, TMCC Associate Dean for Applied and Industrial Technology on NSHE programs that successfully interact with local and regional business in advancing economic development and diversity. In addition, the Committee reviewed the institutional processes and procedures at UNR, UNLV and DRI for reviewing and approving research proposals and contracts.

Regent Schofield requested Board action on the following Committee recommendation:

- Minutes – The Committee recommended approval of the minutes from the August 10, 2006, Committee meeting (*Ref. RED-1 on file in the Board office*).

Regent Schofield moved approval of the Committee recommendation and acceptance of the report.
Regent Gallagher seconded.

Chair Whipple stated that an individual had mentioned to him that the Science and Engineering building to be constructed at UNLV would require different levels of security in order to qualify for federal grants and scholarships. President Ashley replied that although he did not know the security requirements of this particular building, they had to invest in security at other buildings to handle classified data.

Motion carried. Regent Howard was absent.

Regent Schofield stated that scientists are positively impacting the world through their research efforts to desalinate water and asked that their efforts be supported.

36. Approved-Technology Committee Recommendations - Chair Michael B. Wixom reported the Technology Committee met October 3, 2006 and held the following discussions:
- The Committee heard an update regarding the work of the Project Steering Committee in reviewing RFP #7540. Several teams have reviewed the bids, seen demonstrations and are currently visiting other institutions using the proposed products and meeting with their counterparts at these institutions. A final

36. Approved-Technology Committee Recommendations – (Cont'd.)

evaluation report will be prepared by each institution for the Steering Committee once site visits are completed in early November.

- The Committee held a substantial discussion on policy issues that will likely need to be addressed prior to and during the iNtegrate project implementation planning process. Moran Technology Consultants was asked to assist the Committee in putting together information to further address these issues.

Regent Wixom requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the June 8, and July 12, 2006 Committee meetings (*Ref. TC-1a, Ref. TC-1b on file in the Board office*).
- *Handbook* Revision, Common Data Elements and Definitions – The Committee recommended approval of a policy regarding common data elements and common definitions required to ensure the integrity of System-wide common data and policies to guide planning for the iNtegrate project in this regard (*Ref. TC-4 on file in the Board office*).

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

37. Approved-Health Sciences Center Committee Report - Chair James Dean Leavitt reported the Health Sciences Center Committee met September 22, 2006 and heard the following reports:

- Update on staff development and planning activities within the University of Nevada Health Sciences Center.
- Update on the development of the University of Nevada Health Sciences Foundation and the activities of its first meeting.
- Update on the Governor's Commission on Medical Education and Training and Research.
- Overview of activities relating to the development of Graduate Medical Education (GME) opportunities, including participation with the Nevada Hospital Association (NHA) in a joint effort to engage a consultant to help enhance identification and coordination of GME placement opportunities.
- Overview of proposed health science program analysis throughout the eight Nevada System of Higher Education (NSHE) institutions.

Chair Leavitt requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the July 14, and August 9, 2006 Committee meetings (*Ref. HSC-1a, Ref. HSC-1b on file in the Board office*).
- The Committee took action to not accept the report regarding the Graduate Medical Education activities.

37. Approved-Health Sciences Center Committee Report – (Cont'd.)
Regent Derby asked why the Committee took action to not accept the GME report. Regent Leavitt replied that there were unresolved issues with the contract between the School of Medicine and the Nevada Hospital Association.

Regent Leavitt moved approval of the Committee recommendations and acceptance of the report. Regent Geddes seconded. Motion carried. Regent Howard was absent.

38. New Business – Chair Whipple thanked President Wells as well as their general and technical staff for hosting the meeting and providing for audio services. Regent Sisolak noted that the Regents Review prominently featured Regent Thalia Dondero and that a book has been written about her.

The meeting adjourned at 1:57 p.m. on Friday, October 13, 2006.

Scott G. Wasserman
Secretary of the Board of Regents