

Minutes are intended to note (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audiotape recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Board of Regents at the March 2014 meeting.

**BOARD OF REGENTS and its
ad hoc COMMITTEE ON INSTITUTIONAL SERVICE AREAS
NEVADA SYSTEM OF HIGHER EDUCATION**

System Administration, Reno
2601 Enterprise Road, Conference Room
Friday, December 20, 2013

Video Conference Connection from the meeting site to:
System Administration, Las Vegas
5550 W. Flamingo Road, Suite C1, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present: Dr. Jason Geddes, Chair
 Dr. Andrea Anderson
 Mr. Robert J. Blakely
 Mr. Kevin C. Melcher

Advisory Members
Present: Mr. Chet Burton, WNC
 Dr. Mark Curtis, GBC
 Dr. Jane Nichols, TMCC
 Mr. Bart Patterson, NSC
 Mr. Ron Zurek, UNR
 Mr. Alex Porter, NSA/ SGA-GBC
 Ms. Alejandra Leon, ASWN-WNC

Other Regents Present: Mr. Ron Knecht

Others Present: Mr. Daniel J. Klaich, Chancellor
 Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs
 Mr. Larry Eardley, Vice Chancellor, Budget and Finance
 Ms. Brooke Nielsen, Vice Chancellor, Legal Affairs
 Mr. Vic Redding, Vice Chancellor, Finance and Administration
 Dr. Steven Zink, Vice Chancellor, Information Technology
 Dr. Constance Brooks, Asst. Vice Chancellor, Government Affairs
 Mr. R. Scott Young, Deputy Chief of Staff to the Board of Regents
 Ms. Renee Davis, Director, Student Affairs
 Dr. Michael D. Richards, President, CSN
 Dr. Maria C. Sheehan, President, TMCC

For others present, please see the attendance roster on file in the Board office.

Chair Jason Geddes called the meeting to order at 9:05 a.m. with all members present.

1. Information Only-Public Comment – None.
2. Information Only-Committee Introductions – Chair Jason Geddes introduced the members and advisory members of the Committee and led a discussion about the charge of the Committee. Ms. Brooke Nielsen, Vice Chancellor for Legal Affairs, reviewed the application of the Board of Regents' Bylaws, Open Meeting Law and Robert's Rules of Order to the Committee meeting.

In response to a question from Regent Knecht, Vice Chancellor Nielsen indicated the special rules of procedure adopted by the Board at its December 5-6, 2012, meeting limiting Regent discussion to 5 minutes, plus an additional 5 minutes during a second round of discussion, if desired, apply to committee meetings as well as meetings of the full Board.

3. Information Only-Changing Models of Organizational Structure - The National Context – In the last several years, institutions of higher education have experienced significant reduction in funding. As a result, cost savings, service improvement, risk mitigation and consistency across institutions have emerged nationally as motivators for institutions to adjust their business model. Dr. Geri Anderson led a discussion of innovations and trends that have been employed nationally.

Dr. Anderson gave a PowerPoint presentation entitled *A National View of Higher Education: Pressures, Changes and New Priorities* (on file in the Board office). The presentation included information on the higher education crossroads, trends to watch, key attributes of shared services, examples of other institutions launching shared services initiatives, critical elements for a shared services system, leveraging shared services, challenges and steps to implementation.

Chair Geddes inquired about the issues Harvard University faculty are having with shared services. Dr. Anderson said the issues are related to governance and control. Harvard faculty want to make sure they have a voice in the process.

Mr. Ron Zurek, Vice President for Administration and Finance, UNR, asked if other institutions are experiencing a real-time reduction in overall expenditures. Dr. Anderson said the University of Texas believes it will see a return on its investment in six years. The Colorado Community College System (CCCS) realized an immediate cost savings in financial aid; however, unlike the NSHE, the CCCS already had the technology structure in place.

Mr. Chet Burton, President, WNC, asked how other institutions are financing their shared services initiatives. Dr. Anderson indicated there are one-time costs necessary to drive the change and then, over time, individual departments pay a percentage of the cost through service agreements.

3. Information Only-Changing Models of Organizational Structure - The National Context – (continued)

Dr. Mark A. Curtis, President, GBC, said the University of Michigan began its shared services operation in 2008 and is set to open a shared services center in spring 2014. The institution's website claims the center will employ 275 people doing work once performed by approximately 325 people. President Curtis noted this was a six year effort to save the cost of 50 people. He inquired about Dr. Anderson's suggestion that the NSHE could roll out a shared services operation in two years when it seems the University of Texas and the University of Michigan both followed a six year path to full implementation. Dr. Anderson said the difference can be attributed to the size of the University of Michigan system and the layers of bureaucracy that exist there. In addition, the NSHE will want to align its shared services operation with the roll out of the Enterprise Resource Planning (ERP) project. Much of the work in terms of aligning systems is being done through the ERP implementation and that had not occurred in Michigan.

Regent Knecht observed the NSHE will be able to benefit from the lessons learned at the University of Texas and University of Michigan.

4. Information Only-Organizational Structure – The Nevada Dilemma – Recently, several factors impacting revenue to each of the northern Nevada community colleges have converged to place pressure on the institutions' ability to fund operations. At the same time, each institution is focused on providing excellent student and academic service to a growing diverse population. Dr. Geri Anderson led a discussion and the Committee reviewed the current funding platform and its resulting impact on the institutions' ability to provide student and academic services.

Dr. Anderson said she was incredibly impressed during her visits to GBC, TMCC and WNC. She described the faculty and staff as passionate. Some expressed concern that moving to a shared services model will decrease service to students. Faculty and staff fear a change will mean they will lose those elements of their institution that are unique and special. Dr. Anderson stressed the importance of protecting what makes each institution special and communicating to faculty and staff that the goal is to increase service to students.

Mr. Bart J. Patterson, President, NSC, asked why a shared services model would be more efficient and/or effective than expanding the current business centers and delivering information technology services through System Computing Services. Dr. Anderson said there was never an expectation that the services currently offered by the business centers and System Computing Services would be moved into the shared services center. There may need to be a discussion about whether Business Center North is able to expand its services and provide them to GBC, TMCC and WNC and whether it is a viable solution. Regarding System

4. Information Only-Organizational Structure – The Nevada Dilemma – (continued)

Computing Services, Dr. Anderson indicated there is a reason that department operates at the System level and she does not see a reason to pull it back out.

Chair Geddes said the NSHE business centers were created to provide services to the institutions. It is his understanding that, through the years, the institutions felt they were not getting the service they expected from those models and ended up creating duplication on their campuses. He asked whether the focus should be on strengthening the existing business centers or creating a shared services center. Dr. Anderson reported the campuses have figured out how to work with the business centers by assigning a liaison and developing relationships and contacts; however, overall, the campuses do not feel it is a high quality operation.

In response to a question from Chair Geddes, Dr. Anderson said the individuals working on the iNtegrate 2 ERP project are spending a great deal of time ensuring the systems are aligned and there is consensus regarding business processes. She will align her recommendations with the work being done under iNtegrate 2.

Dr. Steven Zink, Vice Chancellor for Information Technology, said information technology is a secondary consideration. The key is having consistent policies and processes at the campus level.

Regent Knecht said he views this as a matter of evolving from where the NSHE currently is to where it wants to be. In doing that, not everything will be carried out in the same way. It may make sense to have human resources and finance located primarily in the business centers. With regard to student financial aid, the business centers may not have any particular comparative advantage in providing those services. One or two institutions may have a comparative advantage and could serve as a centralized provider of those services.

President Burton said the institutions need to look at standardizing systems and utilizing best practices. The presidents recognize this is where they need to be involved as leaders and come together to agree on common practices.

5. Information Only-Organizational Structure – College Presidents’ Strategies – The presidents of GBC, NSC, TMCC, UNR and WNC have collaborated and have worked with their senior staff to develop strategies to address the financial constraints placed on their institutions’ ability to fund operations. An overview of the college perspective was presented.

Dr. Maria C. Sheehan, President, TMCC, said the northern presidents have established collaborations in the areas of institutional research and professional development. She recently brought in CampusWorks, a company specializing in information technology services for community colleges, to help identify opportunities for collaboration, increased efficiency and cost savings. The

5. Information Only-Organizational Structure – College Presidents’ Strategies –
(continued)

CampusWorks team met with 37 focus groups from the northern community colleges and System Computing Services. They looked at existing collaborations and areas of improvement. They highlighted the importance of messaging and making sure faculty and staff feel supported as discussions about changing NSHE business practices take place. The CampusWorks team presented a high-level, preliminary report to the presidents. Their next step is to meet with institutional and System Computing Services representatives a second time and prepare a report for the Board or the Chancellor.

President Burton said the presidents are in agreement about coming to a common standard. In the area of human resources, they are looking at position creation, classification of employees, recruiting and onboarding, benefits administration, position control and how the human resource system interfaces with the financial system. On the business and finance side, they are looking at accounts payable and receivable, asset management, general ledger accounting, travel, grant administration and budget execution and reporting.

President Patterson said NSC is not building a server room and is planning to share with another institution or outsource its data storage. He noted there are private options that may be more efficient in the long run than a consolidated services model.

Dr. Michael D. Richards, President, CSN, said he would like to see the shared services initiative develop not just geographically but by type of institution. He is interested in moving forward with the recommendations so the institutions can better support one another. Chair Geddes indicated the Board expects this to be a System-wide initiative. The budgetary timelines for the three northern community colleges put them first on the agenda.

In response to a question from Regent Knecht, President Burton indicated the institutional research function is embedded in this process, particularly in how levels of service are measured. Regent Knecht volunteered to share with the institutions the work he and Vice Chancellor for Finance and Administration Vic Redding and Vice Chancellor for Budget and Finance Larry Eardley have done in this area.

President Sheehan briefly reviewed additional areas of collaboration including grant management, legal counsel and the sharing of resources available through the Mathewson-IGT Knowledge Center at UNR.

Mr. Daniel J. Klaich, Chancellor, inquired about next steps. President Sheehan said CampusWorks can assist the institutions in crafting an approach to shared services. The NSHE will need to identify the role for leading the change and determine the role of System Computing Services and each of the campuses.

5. Information Only-Organizational Structure – College Presidents’ Strategies –
(continued)

CampusWorks can assist the NSHE in developing an information technology strategy which supports efficient business operations and determining how to rightsize and reorganize to fulfill strategic plans and institutional missions.

President Burton said the institutions should work together on a unified communication plan. The employees need to understand the goals and be included in the process. The presidents need to set objectives and goals and provide the leadership and framework necessary to get the project off the ground.

Chancellor Klaich observed there is a difference between collaboration and shared services that will lead to cost savings. If the presidents feel collaboration and sharing best practices is sufficient, then he needs to know that. If they feel something more is needed, then he wants to hear that as well.

Regent Melcher said the process so far has involved two parallel tracks headed in the same direction. The tracks need to be brought together in a way that preserves what is right for the campuses.

President Curtis noted both Dr. Anderson and CampusWorks suggested hiring an executive director for the shared services alliance. He said although he does not favor adding another high dollar position, without a point person the project may not be executed in a timely manner.

The meeting recessed at 10:57 a.m. and reconvened at 11:09 a.m. with all members present.

6. Information Only-Institutional Service Areas – Shifts in Organizational Structure
– Dr. Geri Anderson presented various models and shifts in organizational structure to mitigate the impact of funding reductions on GBC, TMCC and WNC to fund operations (*report on file in the Board office*). The report included a briefing of expected financial impacts. Dr. Anderson outlined recommendations of shifts in organizational structure that will potentially mitigate the impact on the three northern community colleges to fund operations. The Committee discussed the recommendations.

Dr. Anderson gave a PowerPoint presentation entitled *Nevada Small Colleges Shared Services: Recommendations (on file in the Board office)*. The presentation included recommendations for achieving cost savings and efficiencies through a shared services alliance.

Regent Melcher stressed the importance of sharing the work of the Committee with the Legislature’s interim study committee charged with reviewing the governance structure of and funding methods for community colleges (Senate Bill 391, Chapter 494, *Statutes of Nevada 2013*).

6. Information Only-Institutional Service Areas – Shifts in Organizational Structure
– (continued)

Chair Geddes requested the data used to inform Dr. Anderson’s recommendations be presented to the Committee at its next meeting. His intent is to provide the full Board of Regents with an update in March and a series of recommendations in June.

Regent Blakely suggested all NSHE community colleges, and perhaps NSC, be included in a shared services alliance.

President Patterson said he supports looking for efficiencies in these areas. He indicated some areas, such as digital library resources, may not be as simple as they appear. In studying the issue, NSC found the licensing to be somewhat complex in that there are utilization rate differences between the universities and two-year colleges and the state college. In some respects, it makes more sense for NSC to choose a licensing model where the college pays only for what it uses. President Patterson noted the Committee still needs to address how the governance structure will work, who the executive director will report to and where the shared services center will be housed.

Mr. Alex Porter, Chair, Nevada Student Alliance, and President of the GBC Student Government Association, expressed concern that increasing efficiency in financial aid may lengthen the time it takes for the aid to reach students. He said students will be concerned with the speed of the process, especially if there are fewer people on campus making that initial contact. Mr. Porter suggested including student demographics and student input in the data collection.

Dr. Anderson noted scholarships and institutional-based aid programs are typically administered at the institution. In her experience, the response is faster because there are designated people on campus to interact with students and handle financial aid emergencies.

7. Information Only-Institutional Service Areas of Nevada Institutions – The Committee discussed current Board policy that designates the geographic regions of the state each institution may serve (*Title 4, Chapter 14, Section 13(7) (Refs. ISA-7a and ISA-7b on file in the Board office)*). The discussion included whether service areas should be realigned, the quality of service, the equity of service and related issues.

Regent Melcher said there are many different ways the service areas could be realigned. However, there are a few key communities, including Fallon, where gathering input from stakeholders and students is critical. The Board needs to ensure it is making the right decision for the students and those communities.

7. Information Only-Institutional Service Areas of Nevada Institutions – *(continued)*

Regent Blakely believes the counties of Lincoln and Esmeralda would be better served by moving them out of CSN's service area and into GBC's service area.

Chair Geddes said he would like to see the presidents come back with recommendations at the next Committee meeting.

Regent Knecht said the discussion on service areas needs to include institutional missions. The Board may want GBC to serve the great outback and WNC to serve the Sierra Front. He believes this is the first issue to be decided. Naturally, because everything has historically been defined in terms of Nevada's 17 counties, the Board tends to think and operate in those terms. He feels it is time to shed that pre-conditioning and look at whether the realignment of service areas should be done on a county-basis or in some other way.

Regent Melcher said the presidents should also look at Lyon County. He would like to know what institutions those students attend currently.

Ms. Alejandra Leon, President, Associated Students of Western Nevada, said she lives in Dayton and takes classes at WNC's Fallon campus. Many students from that area would like to attend UNR, but affordability is an issue.

President Curtis said since this issue is of particular interest to GBC and its vision for growth, he will take on the role of canvassing the presidents and preparing a report for the next Committee meeting.

8. Information Only-New Business – Dr. Jane Nichols, Vice President of Academic Affairs, TMCC, indicated she would like to see a report that brings together the governance and implementation recommendations from CampusWorks, Dr. Anderson and the ERP project with the existing governance and implementation model for the Student Information System. She feels it is important to make sure overlapping models are not being created.

In response to a question from Chair Geddes, Chancellor Klaich indicated it would be appropriate for the Committee to hear reports on e-Learning from Vice Chancellor Zink and Dr. Mark L. Fink, Associate Vice Provost for Online Education, UNLV.

President Patterson said he would like the report on implementation recommendations to include a facilities component and a reporting line for the executive director. He would also like to see success models for two-year institutions, four-year institutions, state colleges and universities. There may be issues associated with putting different types of institutions together. There may also be a geographic component for the Committee to discuss.

8. Information Only-New Business – (continued)

Mr. Zurek stressed the importance of having a regular template in terms of the agenda so the Committee can move forward and address all of the issues that have been raised.

Chancellor Klaich said the Committee needs to consider the concept of an executive director for the shared services alliance.

Mr. Porter asked that student input be included whenever possible. Ms. Leon echoed Mr. Porter's sentiments.

Regent Anderson asked that Dr. Anderson's report and the associated data be shared with the NSHE e-Learning Committee.

Regent Blakely suggested adding CSN to the discussion.

Regent Melcher said it is important to plan for future growth and the needs of the state. Although much of the focus right now is on the northern institutions, he feels it is also important to look at Clark County. The Board needs to think about how large CSN can grow before discussions about breaking it up or adding additional community colleges become necessary. He supports Regent Blakely's suggestion to bring CSN into the discussion. In addition, Regent Melcher would like to see a five year rolling plan for the shared services project, with the intent that the plan would never expire. As one year comes off, another year is added. With regard to project oversight, he suggested the Committee consider a cabinet-level position within System Administration. Once the presidents have worked out all of the details and the project has gotten off the ground, this person would be responsible for overseeing all aspects of shared services.

Regent Knecht agreed with the suggestion that this should be an ongoing process; however, he is unsure whether the position needs to be at the vice chancellor level.

Chair Geddes said it is important to look at the academic missions of the institutions and determine how best to fulfill them, whether individually or through collaboration. He would like a report on the history of Business Center North and Business Center South including what those entities were created to do and whether shadow services exist at the institutions that can be moved back into the business centers. Alternatively, if the institutions are better at providing a specific service, he would like to know which institution does it the best. Finally, the Committee will work with the Chancellor and presidents to make sure a message about the Board's intent and commitment to this process reaches the faculty and staff.

9. Information Only-Public Comment – None.

The meeting adjourned at 12:10 p.m.

Prepared by: Keri D. Nikolajewski
Special Assistant and Coordinator to the Board of Regents

Submitted for approval by: R. Scott Young
Deputy Chief of Staff to the Board of Regents