

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 June 2015 meeting.

**BOARD OF REGENTS\* and its  
BUSINESS & FINANCE COMMITTEE  
NEVADA SYSTEM OF HIGHER EDUCATION**  
Frank H. Rogers Science & Technology Building  
Auditorium  
Desert Research Institute  
755 East Flamingo Road, Las Vegas  
Thursday, March 5, 2015

Members Present:            Mr. Michael B. Wixom, Chair  
                                     Mr. Kevin C. Melcher, Vice Chair  
                                     Dr. Mark W. Doubrava  
                                     Mr. Trevor Hayes  
                                     Ms. Allison Stephens

Others Present:            Mr. Larry Eardley, Vice Chancellor, Business & Finance  
                                     Mr. Vic Redding, Vice Chancellor, Finance & Administration  
                                     Dr. Marcia Turner, Vice Chancellor, Health Sciences  
                                     Mr. Nicholas Vaskov, System Counsel and Director of Real Estate Planning  
                                     Dr. Len Jessup, President, UNLV  
                                     Mr. Chester Burton, President, WNC

*For others present please see the attendance roster on file in the Board Office.*

Chair Michael B. Wixom called the meeting to order at 9:22 a.m. with all members present except Vice Chair Kevin C. Melcher and Regent Allison Stephens. Chair Wixom called a brief break until the other Regents arrived.

Vice Chair Melcher and Regent Stephens entered the meeting.

1.     Information Only – Public Comment (Agenda Item #1) – None.
  
2.     Approved – Minutes (Agenda Item #2a) – The Committee recommended approval of the December 4, 2014, meeting minutes. (*Ref. BF-2a on file in the Board Office.*)

Regent Mark W. Doubrava moved approval of the  
December 4, 2014, meeting minutes. Vice Chair  
Melcher seconded. Motion carried.

Regent Wixom requested consent times 2b and 2c be considered separately.

2. Consent Items (Agenda Item #2) – Items Considered Separately

- 2b. Approved - 2014 Self-Supporting Summer School/Calendar Year Budgets, Budget to Actual Comparison - The Committee recommended approval and acceptance of the 2014 Self-Supporting Summer School and Calendar Year Budgets, Budget to Actual Comparison Report, for the Nevada System of Higher Education (NSHE). (Ref. BF-2b(1) & Ref. BF-2b(2) on file in the Board Office.)
- 2c. Approved – Mid-Year Fiscal Year 2014-2015 Self-Supporting Budgets & 2015 Summer School/Calendar Year Budgets - The Committee recommended approval and acceptance of the NSHE Mid-Year Self-Supporting Budgets for Fiscal Year 2014-2015 and the Self-Supporting Summer School/Calendar Year Budgets for Calendar Year 2015. (Ref. BF-2c(1) & Ref. BF-2c(2) on file in the Board Office.)

Chair Wixom asked if ending fund balances were carried forward. Mr. Larry Eardley, Vice Chancellor, Business & Finance, responded yes. Mr. Bruce Shively, Associate Vice President, Planning, Budget and Analysis, University of Nevada, Reno (UNR), explained the summer school program transfers.

Regent Stephens moved approval of the consent items considered separately. Regent Doubrava seconded. Motion carried.

3. Information Only – Second Quarter Fiscal Year 2014-2015 Fiscal Exception and Status of State Appropriations (Agenda Item #3) – The second quarter Fiscal Year 2014-2015 report of fiscal exceptions of Self-Supporting accounts and status of State Supported Operating Budget appropriations were presented. (Ref. BF-3a & Ref. BF-3b on file in the Board Office.)

Vice Chancellor Eardley, reviewed Ref. BF-3a and Ref. BF-3b highlighting the following accounts requiring reporting:

- The UNR Fire Science Academy (FSA) reported a cash deficit of \$9 million.
- The UNR Intercollegiate Athletics (ICA) program reported a cash deficit of \$3.8 million.
- The University of Nevada School of Medicine (UNSOM) Reno Practice Plan experienced cash flow issues. Partial payments on the accounts were made subsequent to the September 30<sup>th</sup> report date.
- The University of Nevada's School of Medicine Hospital Accounts Receivable Aging Schedule as of December 31, 2014, reflects the Reno Regional Medical Center's (Renown) current outstanding balance of \$1.4 million was paid on January 8<sup>th</sup>. Two small outstanding receivables between 30-90 days remain for the Family Counseling of Northern Nevada and the Sunrise Hospital & Medical Center accounts. The School of Medicine has received notification the invoices are in the process of being paid.

Dr. Thomas Schwenk, Dean, UNSOM, discussed cash flow problems, short term issues with the launch of the electronic medical records and payments systems, productivity, and structural issues not resolvable on an operational basis associated with the UNSOM.

3. Information Only – Second Quarter Fiscal Year 2014-2015 Fiscal Exception and Status of State Appropriations (Agenda Item #3) – (Continued)

Regent Stephens asked if there were things Board members could do to help the UNSOM. Dean Schwenk stated public private partnerships all have unknown risks, so the Board's understanding is needed as they proceed through the process.

Regent Stephens reiterated this is a public institution. Serving the public and making sure the students have experience with the low income and diverse populations should be at the forefront of what they do.

4. Information Only – Second Quarter Fiscal Year 2014-2015 NSHE All Funds Report - The second quarter Fiscal Year 2014-2015 NSHE All Funds Report was presented. (Ref. BF-4a & Ref. BF-4b on file in the Board Office.)

Vice Chancellor Eardley reviewed *Ref. BF-4a and Ref. BF-4b* offering highlights of the System summary schedules:

- Total revenue collections for the second quarter Fiscal Year 2014-2015 were greater than revenue collections for the same period last fiscal year by approximately 1 percent and are on track to equal or exceed revenue collections.
- Investment income revenues for the second quarter Fiscal Year 2014-2015 were projected to be less than revenue collections during the same period in the prior year.
- Sales and services revenues for the second quarter Fiscal Year 2014-2015 exceeded last year revenues during the same period in the prior year.
- Other revenue sources for the second quarter Fiscal Year 2014-2015 were less than revenues collected during the same period in the prior year.
- Auxiliary enterprise revenues for the second quarter Fiscal Year 2014-2015 exceeded revenues collected during the same period in the prior year.
- Scholarship expenditures for the second quarter Fiscal Year 2014-2015 exceeded expenditures for the same period in the prior year.
- Student fees for the second quarter were the highest percentage of revenues collected. Instructional and scholarship expenditures were the highest percentage of total System functional expenditures through the second quarter.

Regent Stephens asked why workers' compensation funds for employee injury claims and Environmental Health and Safety Programs were classified as sources of revenue. Mr. Vic Redding, Vice Chancellor, Finance & Administration, stated the Workers' Compensation Program and the Unemployment Compensation Program are enterprise funds. The System collects the funds centrally as an assessment on payroll and it is then distributed back to the institutions.

5. Information Only – Second Quarter Fiscal Year 2014-2015 Budget Transfers – State Supported or Self-Supporting Operating Budgets - Vice Chancellor Eardley reported there were no second quarter Fiscal Year 2014-2015 Budget Transfers of State Supported or Self-Supporting Operating Budget Funds Between Functions.

6. Information Only – Business and Finance Reporting - The Committee directed staff to complete an analysis of current reports to be presented at the June meeting. (*Ref. BF-6 on file in the Board Office.*)

Vice Chancellor Redding believed the shift in reporting is pointing to information and analysis and less on raw data. The current reports completed have been driven by the financial system currently in place. The data currently available does not allow for ready analysis. Much time is spent assembling the data then analyzing it. This is the perfect time to have this discussion as the System begins the design phase of the new system. The new trend in data is the ability to drive results rather than simply report them. Good financial reporting focuses on the material risks and develops a way to monitor them and provide a vehicle for the governing Board to hold the right people accountable in real time.

Chair Wixom noted there are currently 18 reports. After discussion the Committee asked for an analysis of each report including the following information: where the report came from; what the report is used for; how time consuming and costly is preparation; how effective is the report; what will they lose if the report is not created; is the information available in another report; is the report legislatively requested; and is there a more effective way to provide the information. Vice Chair Melcher suggested the campuses be afforded the ability to provide input on the reports. Regent Stephens invited Vice Chancellor Steve Zink to attend the June meeting.

7. Information Only – New Business – Chair Wixom asked Vice Chancellor Redding to invite the State Treasurer to report on the Nevada Prepaid Tuition program at the September meeting.
8. Information Only – Public Comment – None.

The meeting adjourned at 10:38 a.m.

Prepared by:

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Submitted for approval by:

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