

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.

**SPECIAL MEETING
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION**
System Administration, Las Vegas
4300 South Maryland Parkway, Board Room

Friday, April 24, 2015

Video and Telephone Conference Connection from the Meeting Site to:
System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present: Mr. Kevin J. Page, Chairman
Mr. Rick Trachok, Vice Chairman
Dr. Andrea Anderson
Mr. Cedric Crear
Mr. Robert Davidson
Dr. Mark W. Doubrava (*Reno*)
Dr. Jason Geddes (*Reno*)
Mr. Trevor Hayes (*Reno*)
Mr. James Dean Leavitt
Mr. Sam Lieberman
Mr. Kevin C. Melcher
Ms. Allison Stephens
Mr. Michael B. Wixom

Others Present: Mr. Daniel J. Klaich, Chancellor
Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs
Dr. Constance Brooks, Vice Chancellor, Govt. and Community Affairs
Ms. Brooke Nielsen, Vice Chancellor, Legal Affairs
Mr. Vic Redding, Vice Chancellor, Finance and Administration
Dr. Marcia Turner, Vice Chancellor, Health Sciences
Mr. Nicholas Vaskov, System Counsel and Director of Real Estate Planning
Mr. Scott G. Wasserman, Special Advisor to the Board
Mr. Frank R. Woodbeck, Executive Director Nevada College Collaborative
Mr. R. Scott Young, Acting Chief of Staff
Dr. Michael D. Richards, President, CSN
Dr. Stephen G. Wells, President, DRI
Dr. Mark A. Curtis, President, GBC
Mr. Bart J. Patterson, President, NSC
Dr. Maria C. Sheehan, President, TMCC
Dr. Len Jessup, President, UNLV
Dr. Marc A. Johnson, President, UNR
Mr. Chet Burton, President, WNC

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

Chairman Kevin J. Page called the meeting to order at 8:32 a.m. with all members present except Regent Trevor Hayes.

Regent Allison Stephens led the Pledge of Allegiance.

A moment of silence was held for Regent Kevin C. Melcher's brother Joe Franklin Melcher III and Chairman Page's father-in-law Patsy Tabor.

Birthday wishes were given to Regent Robert Davidson and Special Assistant and Coordinator Patty Rogers.

Regent Davidson indicated he is a founder and serves as the Chairman of the Board of the Davidson Academy of Nevada located on the campus of the University of Nevada, Reno. Since some of the bills listed under item number seven may impact the Academy, he was making this disclosure. However, since the impact of these bills on the Davidson Academy would be no different than their impact on all other public schools or public charter schools, NSHE Chief Counsel and Board Counsel have advised that he is not required to abstain from voting on that item.

1. Information Only - Public Comment (Agenda Item #1) – Mr. Caden Fabbi, incoming Associated Students of University of Nevada (ASUN) president, spoke in favor of Assembly Bill (AB) 111, Governor Guinn Millennium Scholarship relating to credit increase; AB 150, Governor Guinn Millennium Scholarship relating to entrance exams scores; Senate Bill (SB) 339, creating a tobacco free campus; and SB 464, revising criminal penalties for consumption or possession of an alcoholic beverage by a person under 21 years of age; and spoke in opposition of AB 148, relating to concealed firearms on campus.

Mr. Mark Stein, classified employee, University of Nevada, Las Vegas (UNLV), spoke on the impact of classified benefits and proposed an increase in the room tax to fund classified benefits.

Mr. Douglas Unger, at-large faculty senator, UNLV Faculty Senate, spoke in opposition to the Office of the Governor and the Interim Finance Committee's (IFC) "premium holiday" proposal, the Public Employee Benefits Program (PEBP) Board's agreement to the "premium holiday", the cancellation of the PEBP Wellness Program premium reductions as promised and the approved increases in PEBP premiums to be paid by Nevada State Employees for the 2015-16 benefit year.

Ms. Vicki Rosser, UNLV professor, spoke for UNLV employees who have stayed through good and bad times, who are receiving less pay, are being furloughed, have not received a cost of living increase, and who now have a terminated wellness program benefit.

Mr. Aaron Brown, UNLV Faculty Senate, was hopeful the Board would take a stand against the use of revenue generated from PEBP for purposes other than the health care of state employees and their families.

1. Information Only - Public Comment (Agenda Item #1) – (Continued)

Dr. Rhonda Montgomery, UNLV Faculty Senate chair, reported while she was facing a health crisis, PEBP determined the needed treatment was experimental and was denied. It is time to consider doing something different as it relates to health care benefits for state employees.

Mr. Robert Manis, Nevada Faculty Alliance (NFA) chapter president, College of Southern Nevada (CSN), acknowledged PEBP raised rates, created a surplus and then did not push the surplus back to the consumers, thus allowing the IFC to take it.

Mr. Adrian Havas, CSN professor and NFA representative, stated there have been reductions in benefits and increases in premiums over the last decade and most recently the virtual disappearance of the NVision Wellness Program. He asked the Board to explore alternative ways to help the employees.

Ms. Devonna Normand, UNLV classified employee, noted she has been with the Nevada System of Higher Education (NSHE) for 16 years and is barely making ends meet. Other solutions have to be explored.

Ms. Wendy Hoskins, UNLV associate professor, objected to the “premium holiday” and the elimination of the promised Wellness Program reduction and asked for merit pay restoration in order to better retain top faculty who have dedicated themselves to Nevada.

2. Approved - Consent Items (Agenda Item #2) – The Board approved the following Consent Items in their entirety:

2a. Approved - Minutes – The Board approved the following meeting minutes:

- November 3, 2014, ad hoc Performance Pool Committee Meeting (*Ref. BOR-2a on file in the Board Office.*)

2b. Handbook Revision, Veterans In-State Tuition Waiver – The Board approved a technical revision to Board policy concerning in-state tuition for certain veterans living in Nevada and their family members (*Title 4, Chapter 15, Section 3*). (*Ref. BOR-2b on file in the Board Office.*)

Regent Cedric Crear moved approval of the Consent Items. Regent Rick Trachok seconded. Motion carried. Regent Hayes was absent.

3. Information Only - Burning Glass Technologies Data System (Agenda Item #3) – Executive Director Frank R. Woodbeck, Nevada College Collaborative, provided information on the interlocal agreement between the NSHE and the Department of Employment, Training and Rehabilitation (DETR) to purchase the Burning Glass Technologies data system and the attributes of the system. The system links employers to potential employees based on the skill sets they seek. (*Logo handout on file in the Board Office.*)

Chancellor Daniel J. Klaich voiced his excitement for the System and believed it will revitalize the way Nevadans are put back to work. It is a fundamental tool that will allow the community colleges to connect with the workforce in a way they have never been able to.

3. Information Only - Burning Glass Technologies Data System (Agenda Item #3) – (Continued)

Regent Stephens emphasized the role between the NSHE, workforce development and economic diversification in meeting business needs. Sometimes it is not understood and people do not make the connection that this is what NSHE does to get Nevadans back to work.

Chairman Page left the meeting.

Regent Crear commended Executive Director Woodbeck for his hard work and tenacity. He asked if there will be a Silver State Solutions office or representative on the various campuses to help the students throughout the System. Executive Director Woodbeck stated the purpose is to form a foundation which they can use at all campuses.

Regent Michael B. Wixom recommended this as a standing item for the Community College Committee so there is a constant flow of information. He also recommended the information be provided to the Advisory Councils to help keep the Board aligned with community needs.

Regent Andrea Anderson stated this very important tool will be a great way for the Committee to connect with the community.

Regent Davidson asked what metrics were being used to know if the program is meeting expectations. Executive Director Woodbeck stated metrics would be developed with the DETR.

President Chet Burton, Western Nevada College (WNC), stated this partnership with DETR is unprecedented. Burning Glass is the top premier tool in terms of matching veterans' active duty military experience with job skills.

4. Approved - 15 to Finish Enrollment Intensity and Student Achievement Campaign (Agenda Item #4) – The Board approved to continue the 15 to Finish campaign and have the Chancellor's Office continue to monitor and report back to the Board on the success of the campaign, including tracking students who accumulated at least 30 credits in their first year of enrollment and through degree or certificate completion. (Ref. BOR-4 on file in the Board Office.)

Vice Chancellor Crystal Abba, Academic and Student Affairs, reviewed the 15 to Finish campaign and the adoption of the campaign. She presented initial data reflecting the success of the campaign in increasing the number of students taking 15 or more credits, performance metrics supporting the success of students taking 15 or more credits, and the work to embed the campaign's message into the institutional culture within the NSHE.

Regent Crear asked how do they gauge and monitor the quality of the degree the student is getting and whether the 15 credits is too much for a particular student. Vice Chancellor Abba responded one metric is the grade point average (GPA). The monitoring of the degree quality and assessment measures highlights the conversation they are currently having. There is no national quality metric at this time. The System has huge challenges in advising with an advising ratio of 600:1. They are talking about ways technology can appropriately support advising, so when students fall below the 15 credits, they are approached quickly to get back on track.

4. Approved - 15 to Finish Enrollment Intensity and Student Achievement Campaign
(Agenda Item #4) – (Continued)

Regent Wixom moved approval to continue the 15 to Finish campaign and have the Chancellor's Office continue to monitor and report back to the Board on the success of the campaign, including tracking students who accumulated at least 30 credits in their first year of enrollment and through degree or certificate completion. Regent Sam Lieberman seconded.

Regent Wixom believed this was the most effective program adopted in his 10 years on the Board and a great accomplishment. Regent Anderson agreed and added it needed to continue.

Regent Lieberman stated this is a flagship program and the System should work to incorporate non-traditional students.

Regent Melcher asked to see the impact of the program on the new funding formula.

President Bart J. Patterson, Nevada State College (NSC), pointed out 15 to Finish really works well with other retention building programs. If they get a more solid need based financial aid program it will greatly assist the first time student population in attending school full time.

Regent Crear asked how they expand the program and engrain it in the cultures of the institutions. Vice Chancellor Abba stated the institutions have to make it a dialogue across their campuses.

Chairman Page entered the meeting.

President Marc A. Johnson, University of Nevada, Reno (UNR), stated when UNR does high school recruiting it is mentioned multiple times by multiple people. They have known from prior studies that students who take full credit loads are more likely to graduate. However, if individuals need to work full-time the University supports them also in their endeavors.

Regent Stephens asked if there is a phase two associated with the cultural implementation and strategies, how they would get there. Vice Chancellor Abba stated part of the challenge at the time is her department does not have enough personnel. Asking the institutions to make it a part of their culture is a reflection of the campaign and will have more impact than handing the students a t-shirt. Regent Stephens agreed this was an important program, but she wanted to see how the System would support the institutions in a meaningful way and help make the cultural shift.

Regent Wixom felt it was critical the Governor and the Legislature know what the System is trying to accomplish with this campaign. They need to know the System is doing what they have been asked to do.

4. Approved - 15 to Finish Enrollment Intensity and Student Achievement Campaign (Agenda Item #4) – (Continued)

Regent Melcher believed it was up to the institutions to make it their own on the campuses.

Chancellor Klaich reported the efforts of this report will be reflected in the metrics the Board has talked about. He thanked Vice Chancellor Abba and her staff for their incredibly hard work on this campaign.

Regent James Dean Leavitt stated the System needed to complete the website as it is a perfect place to tell the story.

President Maria C. Sheehan, Truckee Meadows Community College (TMCC), agreed the work lies with the individual campuses, because each campus has its own unique population characteristics.

Motion carried. Regent Hayes was absent.

The meeting recessed at 10:04 a.m. and reconvened at 10:10 a.m. with all members present except Regent Hayes.

5. Approved & Action Taken- Student Housing Project Resolution, Implementing Agreements and Funding Plan, UNLV (Agenda Item #5) – The Board approved the following implementing agreements and documents: (1) Assignment and Assumption Agreement for the purchase of University Park Apartments, (2) Lease Agreement for University Park – First Phase, (3) Lease Agreement for the University Park - Future Phases, (4) Project Development Agreement, the funding plan to pay the \$18.5 million price of the property: \$6.4 million balance in Land Acquisition Reserve Account; \$4.8 million in Capital Improvement Funds; \$6.9 million in General Improvement Funds; \$400,000 in additional non-state institutional funds, a Resolution making certain findings related to existing bond covenants for student housing and the University Park Apartments project; final approval of the manager is subject to Board approval and authorized the Chancellor to approve amendments or revisions to the Implementation Agreement that he, in consultation with the Board Chair, determines to be minor. (*Ref. BOR-5 and handout are on file in the Board Office*)

Regent Wixom indicated he is a shareholder in the law firm of Smith Larsen & Wixom. His areas of practice include banking, real estate finance and commercial transactions. He has represented and does represent Wells Fargo on various projects in this capacity. Since the Midby Company has been awarded the opportunity to purchase University Park Apartments from Wells Fargo and wishes to collaborate with UNLV on a student housing project, Regent Wixom made this disclosure and noted he would abstain from voting on this item and would not advocate the passage or failure of the item, but he may otherwise participate in the consideration of this matter.

Chairman Page indicated he is currently employed in the capacity of Managing Director and Senior Relationship Manager for Wells Capital Management–Institutional Investment Management Services. Neither Wells Capital Management nor Regent Page are involved in the negotiations for this property and he will not receive any benefit or detriment from this transaction. Since the agenda item being considered does not impact

5. Approved & Action Taken- Student Housing Project Resolution, Implementing Agreements and Funding Plan, UNLV (Agenda Item #5) – (Continued)

Regent Page or his employment, he disclosed the information so that the relationship and the factors leading to this conclusion are on the public record. Furthermore, while he would not be statutorily required to abstain on this item, to avoid any appearance of impropriety he noted he would abstain from voting on this item.

President Len Jessup, UNLV, stated there are 24,000 undergraduate students on the campus and 75 percent of those are full time students. The University only has room for approximately 1700 students to live on campus. The University needs to do more to increase on-campus and off-campus close proximity living.

Vice President Gerry Bomotti, Finance and Business, UNLV, summarized the student housing project at the current University Park Apartments site including the implementing agreements, funding plan and the Resolution.

Regent Melcher thanked UNLV for keeping the Board well informed about this project. He is comfortable with the project and is convinced this project is in a good position.

Regent Melcher moved approval of the implementing agreements and documents: (1) Assignment and Assumption Agreement for the purchase of University Park Apartments, (2) Lease Agreement for University Park – First Phase, (3) Lease Agreement for the University Park - Future Phases, (4) Project Development Agreement, the funding plan, the Resolution, final approval of the manager is subject to Board approval and authorized the Chancellor to approve amendments or revisions to the Implementation Agreement that he, in consultation with the Board Chair, determines to be minor. Regent Trachok seconded.

Regent Wixom asked if the motion included UNLV return for final approval of the manager. Regent Melcher stated it was the intent of the motion. Vice President Bomotti recommended, if the Board desired, that alcohol sales be removed in the convenience store. Regent Melcher noted his motion did not include the removal of alcohol sales, and amendments to the agreements could be left to the Chancellor and Chairman. Regent Melcher stated there are numerous other places on campus and in close proximity where alcohol can be purchased. He was open to the discussion.

Regent Wixom felt selling alcohol for off premises use creates a separate issue they should address as a Board separately. Regent Melcher asked for clarification. Special Advisor Scott G. Wasserman, NSHE, stated he believed Regent Wixom was saying the motion would be approved as is, and then the issue of alcohol sales would be heard separately.

Regent Crear asked when the discussion of alcohol would occur with Special Advisor Wasserman indicating it would be considered separately after the current motion. Chancellor Klaich recommended the motion include all the items, but reserve the issue of alcohol sales for special consideration.

5. Approved & Action Taken- Student Housing Project Resolution, Implementing Agreements and Funding Plan, UNLV (Agenda Item #5) – (Continued)

Regent Hayes entered the meeting via telephone.

Regent Crear asked if the project would fall under the Supply Chain Inclusion policy, with Vice President Bomotti responding yes.

Motion carried. Regents Page and Wixom abstained.

Regent Crear asked if alcohol was sold at Thomas and Mack or any other place on campus. Vice President Bomotti answered not as packaged alcohol, but UNLV does have the authority to allow purchase of alcohol at special events in bar areas. Regent Crear did not feel comfortable allowing students to purchase alcohol in their living quarters.

Regent Jason Geddes did not have a problem with the alcohol sales, because the students can walk across the street and purchase it. In his experience a vendor selling on campus is more stringent in the sale.

Regent Stephens asked if selling alcohol on campus presented additional liability issues. Vice Chancellor Brooke Nielsen, Legal Affairs, stated because alcohol is already sold on campus it would not be an additional liability. She was not aware of any case law or decisions where packaged alcohol was a factor in determining liability. Regent Stephens added it was important to note this was not freshman housing, but upper classman, and because of that she was in favor.

Regent Anderson stated there was a distinction between packaged alcohol and buying a drink at an event. At an event the bartender is facing the person buying the alcohol, where packaged alcohol can be taken back to a location and distributed to underage people. She was against selling packaged alcohol on campus.

Regent Leavitt believed the developer should be able to maximize the value of their investment.

Regent Leavitt moved approval to allow this property to be developed with the ability to sell alcohol as the developer sees fit. Regent Stephens seconded.

Regent Melcher did not feel the Board had the proper information in hand to make a final decision.

Regent Lieberman would be more comfortable if there was a café or dining setting in the building, but would vote against the motion because it sets precedence for future housing developments.

5. Approved & Action Taken- Student Housing Project Resolution, Implementing Agreements and Funding Plan, UNLV (Agenda Item #5) – (Continued)

Vice Chancellor Nielsen asked if the Board was to address this as a policy matter at a later date, and make the distinction between packaged sales and selling alcohol at an event, would the developer then have to implement on this premises. System Counsel Nicholas Vaskov, Legal Affairs, believed there was a middle ground by allowing alcohol sales in conjunction with a convenience store pursuant to a special use permit approved by the University or the Board.

Regent Crear agreed this would set precedent for future housing developments and maybe current developments. There is a difference between a privately owned convenience store across the street and an endorsed facility that is owned by the University or viewed by others as such.

Vice Chairman Trachok was concerned because of all the nationwide issues of binge drinking. He thought it was a bad idea to offer alcohol sales on University property.

Regent Hayes agreed with a policy to allow a special permit with a periodic review process in place.

Regent Davidson clarified the developer did not have a problem if they banned alcohol sales from this property. He did not know if the legal risk was clear, which means there may be a possibility. Serious binge drinking issues are known nationally. He did not believe the System wanted the reputation that the campuses were encouraging or making it easier to have alcohol abuse. For those reasons he would vote against the motion.

Regent Stephens stated she did have moral and ethical reservations about it appearing the Board is sanctioning alcohol use and abuse on the campus. At the same time they need to be open to public private partnerships, which may require them to rethink the way they operate during normal business practice. Regent Stephens agreed with a special use permit and thought the Board could move forward with counsel's guidance.

Regent Melcher reiterated he did not think the Board had the needed information to move forward with this item.

Vice President Bomotti clarified the developer was not looking to sell alcohol, but only that a convenience store managed by a national chain would be a good idea. The developer has said the project will go forward no matter the decision on alcohol sales.

Regent Leavitt withdrew his motion.

Special Advisor Wasserman noted the sale of alcohol had not been addressed. He stated the Board could entertain a motion to exclude alcohol sales in the convenience store in the UNLV Student Housing project unless action is taken by the Board at a future date.

Regent Lieberman moved approval to exclude alcohol sales in the convenience store in the UNLV Student Housing project unless action is taken by the Board at a future date. Regent Davidson seconded. Motion carried. Regent Geddes voted no. Regent Page and Regent Wixom abstained.

5. Approved & Action Taken- Student Housing Project Resolution, Implementing Agreements and Funding Plan, UNLV (Agenda Item #5) – (Continued)

Regent Melcher thanked the UNLV team for their work on this project. He appreciated the linked table of contents of attachments in the reference material. Special Advisor Wasserman noted it was a table of contents provided by UNLV that Board staff was able to hyperlink and will take the suggestion under advisement on the lengthier items.

Mr. John H. Midby, The Midby Group, appreciated the discussion and noted their main objective is to lease student apartments.

6. No Action Taken - Interlocal Agreement with the City of North Las Vegas to Lease Space (Agenda Item #6) – The Board discussed the interlocal agreement between the City of North Las Vegas and the Board of Regents on behalf of CSN for the lease of office space in the North Las Vegas City Hall for a term of three years with a one year extension option. (Ref. BOR-6a and Ref. BOR-6b on file in the Board Office.)

President Michael D. Richards, Senior Vice President Patty Charlton, Strategic Initiatives and Administrative Services, and General Counsel Richard Hinckley, CSN, summarized the interlocal agreement will provide for a three year lease of 15,368 square feet of office space on the fourth floor of the North Las Vegas City Hall building, is an all-inclusive rental rate, and includes a one year extension option.

Regent Wixom was concerned with the overall four year pricing of \$1.4 million since a lot could be done in terms of student success, scholarship and need-based aid with that amount of money. Regent Wixom asked where the money was coming from, with Senior Vice President Charlton noting it would be built into the overall operating budget. Regent Wixom stated he did not understand why this particular location was chosen especially if they were trying to maximize savings.

Regent Hayes entered the meeting at System Administration, Reno, Nevada.

Regent Wixom asked why 15,000 square feet could not be found in existing facilities. Senior Vice President Charlton stated CSN has not added any new square footage in a number of years. CSN has limited square feet for academic programs and purposes. Over the last several years, CSN made a commitment of 35 new positions for students in various support areas. Adding those positions without any additional space just compressed the already full space. CSN also has to be prepared for the opportunity of Title V funding because there will be a significant amount of staff needed if they are successful in obtaining it.

Senior Vice President Charlton reported CSN is half way through a reduced cost lease with the City of Las Vegas for the Division of Workforce and Economic Development, because CSN provides training for their Human Resources department and outreach to some community events. Chairman Page did not think there was a use restriction on this lease because there is an additional 4000 square feet of classrooms that can be used. President Richards believed he had a copy of the lease but noted there is a restriction as to where CSN has access and who has priority, particularly for the classrooms.

6. No Action Taken - Interlocal Agreement with the City of North Las Vegas to Lease Space (Agenda Item #6) – (Continued)

Regent Wixom hesitated to approve the lease without an overall discussion of the campus plan and configuration. Chancellor Klaich clarified this would not roll up into the operating budget. Senior Vice President Charlton stated it was a part of the operating budget; however the funding is not predicated on the leased space, but on the weighted student credit hour.

Regent Crear reported he has heard discussions that CSN is not engaged with the North Las Vegas community. He thought this was a step in showing CSN's commitment to the community of North Las Vegas.

Vice Chairman Trachok was concerned the lease was significantly over market.

Regent Lieberman was confident that if CSN could find space on the existing facilities they would have already done it. He asked if other properties were looked at and ruled out. President Richards reported they did look at other properties, but this particular property was attractive because it is finished space and ready to occupy. President Richards stated without some sort of transitions in terms of space they will have to seriously look at how CSN is going to support student success. CSN has a lot of pressure to better meet the needs of students.

Regent Stephens believed there were other spaces available and there was an issue with the connectedness with North Las Vegas. She stated it is difficult to believe this is coming up solely for the purpose of space.

Regent Hayes asked why CSN was looking at such high end space for back office operations. President Richards stated he looked for space to accommodate the key functions of the institution.

Regent Melcher did not see this project as time sensitive and believed the right thing to do was take no action.

Chairman Page asked President Patterson if they had available space. President Patterson stated they had just subleased some of the space and he did not know if the remainder would fit CSN's needs. Vice President Kevin Butler, NSC, reported they had just subleased for approximately \$1 a square foot which is all inclusive. NSC currently has around 50,000 square feet available.

President Richards requested the item be tabled until the June Board of Regents' meeting.

7. Information Only - Public Employees Benefits Program (Agenda Item #9) – Public Employees Benefits Board (PEBP) Chair Leo M. Drozdoff, Vice Chair Jacque Ewing-Taylor, and Chief Financial Officer Celestena Glover provided the Board with an update on the PEBP program, and most recent issues brought forward earlier in the day during Public Comment by NSHE employees.

Chairman Page noted they heard from dissatisfied employees earlier in the morning and asked the PEBP officers to address the most recent issues.

7. Information Only - Public Employees Benefits Program (Agenda Item #9) – (Continued)

Mr. Drozdoff and Ms. Glover explained the reserves associated with the employer's contribution were due to a very conservative actuarial analysis. Instead of those reserves being used to offset Fiscal Year (FY) 16 costs, the state swept those reserves totaling approximately \$32 million. Excess reserves are being swept from most state agencies and the PEBP has two excess reserves; first is the employee generated reserve that is put back into the program and the second is generated by the employer's contribution that is used to offset the employers' costs. The excess employer's contribution reserve will be given back. Employee premiums will increase due to other health care issues, and not because of the sweep.

Chancellor Klaich tried to clarify the PEBP sweep is due to a 2015 structural budget deficit that the Governor and his staff were trying to deal with entering into this legislative session to avoid budget cuts over the last six months of the current fiscal year.

Regent Melcher asked for an explanation of the NVision Health & Wellness premium reduction that was discontinued. Ms. Glover explained the NVision Health & Wellness premium incentive money was a reduction to revenue for the plan and was offset by excess reserves generated through costs savings. The premium reduction was discontinued but will roll back into the reserves and the administrative costs will roll back into the overall rate. There is a reduction to the rate beginning July 1, 2015. The Legislature wanted the incentives to be spread out over every employee (not just those participating in the program) and the discontinuation of the NVision Health & Wellness premium program was the end result.

A general discussion by the Regents, Chancellor and the PEBP representatives ensued after a question related to what the impact would be on PEBP if the NSHE employees (1/3 of the PEBP pool) exited the health plan. The Chancellor felt System employees, were healthier than others in the plan, thus they were subsidizing them. The discussion acknowledged there was a lot of dissatisfaction with the overall design and costs of the plan.

Regent Hayes stated the Regents' responsibility was to the System employees and he recommended appointing a committee to look at the pros and cons of leaving PEBP.

Chairman Page, Vice Chairman Trachok and several Regents requested better communication to System employees, an analysis of the overall design of the plan and the disaggregated NSHE data from PEBP including a breakdown of System employees by county who participated in the NVision program.

Chairman Page and the Board appreciated the PEBP representatives' report and attendance.

The meeting recessed at 12:46 p.m. and reconvened at 1:15 p.m. with all members present except Vice Chairman Trachok.

8. Approved - Legislative Report (Agenda Item #7) – The Board heard an update on legislative measures being considered by the Nevada Legislature impacting the NSHE and approved the Board’s support of SB 464, revising criminal penalties for the consumption or possession of an alcoholic beverage by a person under 21 years of age and the Board’s opposition of AB 375, revising certain provisions concerning public schools. (*Appendix A on file in the Board Office.*)

Vice Chancellor Constance Brooks, Government and Community Affairs, reported it is day 82 of the legislative session with two significant deadlines having passed. The NSHE had a priority bill list of 25 and because of significant deadlines there are now 17. Topics of bills that were not successful include anti common core, concealed weapons in cars on NSHE campuses and school facilities, Public Employees Retirement System (PERS) changes, deferred compensation and pension, and refinancing of student loans. Seventeen bills are currently being tracked by the NSHE including Millennium Scholarship, campus carry, Silver State Opportunity Grant, Boost Grant, Sage Commission, purchasing, purchasing agency agreement, body cameras, tobacco use restrictions on campus, the Science, Technology, Engineering and Mathematics (STEM) Workforce Challenge Grant, and out-of-state tuition waiver for residents of Tahoe Basin area. The Economic Forum meets on May 1, the second House Committee passage is on May 15, second House passage is May 22 and adjournment of the Session is June 1, 2015.

Regent Geddes asked the Board to take a position on SB 464, revising criminal penalties for the consumption or possession of an alcoholic beverage by a person under 21 years of age and AB 375, revising certain provisions concerning public schools.

Regent Geddes moved to approve the Board’s support of SB 464. Regent Stephens seconded. Motion carried. Regent Trachok was absent.

Regent Geddes moved to approve the Board’s opposition to AB 375. Regent Leavitt seconded.

Regent Hayes voiced his opposition to this currently dead bill but noted for the record he would like to see the Board narrow what it does especially as it pertains to bad legislation. Regent Geddes stated the bill directly impacts NSHE because of high schools on the campuses. Regent Stephens stated this was an important issue and important enough for faculty and students to oppose, so it should be important for the Board to take a stand and make sure lobbyists know what to do if it does occur.

Motion carried. Regent Wixom voted no. Regent Trachok was absent.

Chancellor Klaich stated they would carefully watch the bills currently still alive.

9. No Action Taken - 2015-2017 NSHE Biennial Budget (Agenda Item #8) – The Board heard an update from Chancellor Klaich regarding the 2015-17 NSHE Biennial Budget Request, the Executive Budget, new developments from the 2015 legislative session and an update on the financial status of the state. (Ref. BOR-8 and handout on file in the Board Office.)

Chancellor Klaich reported the Economic Forum will meet on May 1, and is a key indicator of the money that will be available to spend. The Governor's Budget has revenue in excess of that forecasted by the Economic Forum. SB 252, revising provisions governing the state business license fee, passed the Senate before deadline, which is an important piece of legislation for Higher Education. There is a different taxing mechanism in the Assembly focusing on the modified business tax. The System's legislative program relies significantly on whether one or more of these revenue bills moves forward. The System has not advocated for a tax but instead justification of investment in Higher Education.

Chancellor Klaich pointed out there appears to be a concern the Board does not understand the critical need of faculty merit pay which amounts to approximately \$35 million. Chancellor Klaich stated in fact it is a critical message in the System's presentation to each legislator. There is also concern about the impact on institutions if they do not receive bridge funding. Need-based financial aid has an incredible amount of traction but has a significant price tag and is not included in the Governor's recommendation.

Chancellor Klaich was encouraged by the response for public medical expansion. The Community Advisory Board is an incredibly engaged group of individuals and spent the entire day in Carson City meeting with legislators talking about the importance of this priority. President Jessup added the day could not have gone better.

Chancellor Klaich reiterated the NSHE Budget is scheduled to close in subcommittee on May 7, and closes in the full joint Assembly Ways and Means Committee on May 14, 2015. The Board has been very clear regarding its priorities.

Regent Wixom noted the Board appreciates the sacrifices the faculty has made and he publicly thanked them for their loyalty.

Regent Melcher thanked the legislative team for their hard work. He asked if there was anything the Board could do to help with the ending weeks of session. Chancellor Klaich stated the Board's positions are very clear and the legislative team has tried to make the best case that there are very significant NSHE priorities that should be funded first. He suggested Board members reach out to legislators and let them know how important these ending days are to the NSHE.

President Johnson stated in his discussions with legislators they have only heard of bridge funding and the medical school, but they have not heard of other issues. He asked for emphasis to be placed on faculty. It has been eight years of pay decreases and it is pushing the University into a position of non-competitiveness at a time the University is being expected to serve as a driver for economic development.

Regent Stephens agreed the System needed to be able to compensate employees fairly. She was concerned there was a perception that removing the furloughs was a pay increase and that myth has to be dispelled.

9. No Action Taken - 2015-2017 NSHE Biennial Budget (Agenda Item #8) – (Continued)

Regent Geddes echoed the importance of merit and commended the Chairman and Vice Chairman for beginning each hearing noting the importance of faculty and staff and treating them like all other state employees.

Regent Crear noted faculty has shouldered the burden and the System has to continue to work hard supporting them.

CSN Faculty Senate Chair Jodie Mandel thanked the Regents for their advocacy and support of professional merit pay and presented a joint resolution (*on file in the Board Office*).

10. No Action Taken - NSHE Institutions Ability to Carry Out their Missions (Agenda Item #10) – The Board provided direction to the presidents to create a single list of potential impediments and to draft policy revisions for consideration of the Board at a future Board meeting to address those identified by the presidents.

President Stephen G. Wells, DRI, noted an integrated library system was needed to allow faculty from one institution to use the library of another institution.

President Mark A. Curtis, GBC, explained the policy relating to authorization for community colleges to add baccalaureate degrees is outdated and confusing and asked for a policy review from the Board.

President Richards asked for delegation authority from the Board to Institutional Advisory Committees to strengthen their purposes.

President Patterson noted institutions struggle with how to develop congressional land grants in regards to approval of projects and asked for a way to maximize the value and drive additional revenue in this policy area. He also asked the Board to have a much broader discussion about how the institutions work together and how to not compete with one another for the benefit of the students.

President Johnson stated UNR's list of 10 included increases in sabbatical numbers, changes in easements and purchases of property, and notice requirements for non-tenured faculty. He offered to facilitate creating a single list of suggested impediments from all the presidents. Chairman Page stated a revised draft policy would also be helpful.

Regent Davidson left the meeting.

11. Approved - James E. and Beverly Rogers Foundation (Agenda Item #11) – The Board approved the initial appointment of Marcia Turner, Bart Patterson and Gerry Bomotti as UNLV Trustees of the James E. and Beverly Rogers Foundation, per the wishes and intent of James E. and Beverly Rogers. (*Ref. BOR-11a and Ref. BOR-11b on file in the Board Office.*)

Vice Chancellor Nielsen stated UNLV is asking the Board to confirm the appointment of Marcia Turner, Bart Patterson and Gerry Bomotti to a Foundation created by James E. and Beverly Rogers. The Foundation document states the UNLV trustees are to be confirmed by the Board of Regents. This Foundation will benefit UNLV Black Mountain Institute and the University of Arizona James Rogers School of Law.

11. Approved - James E. and Beverly Rogers Foundation (Agenda Item #11) – (Continued)

Regent Crear moved approval of the appointment of Marcia Turner, Bart Patterson and Gerry Bomotti as UNLV Trustees of the James E. and Beverly Rogers Foundation, per the wishes and intent of James E. and Beverly Rogers. Regent Leavitt seconded.

Regent Stephens clarified the three appointed are the UNLV representation and there will be representation from the University of Arizona also. Chancellor Klaich stated the initial appointments were personally chosen by former Chancellor Rogers and are individuals whom Jim Rogers had deep trust.

Regent Davidson entered the meeting.

Motion carried. Regent Trachok was absent.

The meeting recessed at 2:28 p.m. and reconvened at 2:35 p.m. with all members present except Vice Chairman Trachok.

12. Not Approved - Handbook Revision, Regent Policy on Gaming (Agenda Item #12) – The Board discussed adopting a specific policy in regard to its members and wagering on intercollegiate athletic contests. (Ref. BOR-12 on file in the Board Office.)

The Board of Regents *Handbook* vests oversight of all NSHE intercollegiate athletics in the Board, which in turn carries out those responsibilities through the institutional presidents and through periodic reports as specified by the Board (Title 4, Chapter 24, Section 1). The institutions have adopted provisions in their student handbooks prohibiting staff members and student athletes from participating in gambling activities related to intercollegiate activities. However, there are no provisions in the governing documents of the Board which expressly address the issue of gambling on such activities by Regents.

Regent Crear asked why this would be for all college athletics and not just the sports the Board governs. Regent Crear felt the policy was excessive.

Regent Geddes asked if this would pertain to office pools, with Special Advisor Wasserman stating it would be prohibited in this policy.

Regent Leavitt stated the Gaming Control Board has indicated any gaming in Nevada is illegal unless it is statutorily authorized, thus anyone that has participated in an office pool is violating state law.

Regent Leavitt moved approval of adopting a specific policy in regard to its members and wagering on intercollegiate athletic contests. Regent Wixom seconded.

12. Not Approved - Handbook Revision, Regent Policy on Gaming (Agenda Item #12) – (Continued)

Regent Hayes stated this policy makes the primary industry in Nevada look bad.

Motion failed. Regent Page and Regents Stephens, Crear, Doubrava, Geddes, Hayes and Lieberman voted no. Regent Trachok was absent.

13. Action Taken - Presidential Evaluation Process (Agenda Item #13) – The Board directed Board staff to prepare a draft policy to adopt the alternative procedures and bring back to an upcoming Board of Regents’ meeting. (Ref. BOR-13 and handouts on file in the Board Office.)

Acting Chief of Staff R. Scott Young, NSHE, reported the existing requirements provide for a periodic presidential evaluation process conducted by a Regents’ Evaluation Committee appointed by the Board Chair in consultation with the Chancellor and assisted by an evaluation consultant. The Board approved an alternative evaluation procedure for the recent evaluation of University of Nevada, Reno President Marc A. Johnson which involved a process where the Chancellor appoints a Committee which reports to the Chancellor, who in turn reports to the Board regarding the presidential evaluation. The existing periodic presidential evaluation process is conducted under the Open Meeting Law (OML) and the proposed alternative proposal is not under the OML and can meet privately. Interviews within the existing periodic presidential evaluation process are conducted by the search consultant, while the interviews are split up between the members of the Committee under the alternative proposal. The perceived advantage of the alternative proposal interviews is that more time can be spent with the interviewees because more people are conducting interviews. Both procedures make provisions for a faculty survey and are at the discretion of the Faculty Senate. Nine criteria are used for presidential evaluations and are listed in the *Procedures and Guidelines Manual*.

Chancellor Klaich asked for input from the Board as to which process they favor, so they can bring back a better policy. He stated the alternative process allows a significant amount of interaction between the Committee and the individual being evaluated.

Regent Crear asked if the Board was engaged in the second process. Chancellor Klaich stated the Committee will provide the report to the Chancellor and then the Chancellor would evaluate the report and make recommendations to the full Board.

Regent Wixom liked the alternative process because it allows more flexibility and without the OML allows people to be more honest and forthright. He added the current process is tremendously educational, but he was concerned that would be lost in the alternative process.

Regent Melcher saw more benefit with the alternative process.

Regent Melcher moved to direct Board staff to prepare a draft policy to adopt the alternative procedures and bring back to an upcoming Board of Regents’ meeting. Regent Wixom seconded.

13. Action Taken - Presidential Evaluation Process (Agenda Item #13) – (Continued)

Regent Geddes recommended adding Capital Improvement Projects (CIP) and Operations and Maintenance (O&M) to the evaluation criteria.

Chancellor Klaich stated the Board has had multiple discussions about the metrics and stated the presidential evaluation criteria needed a lot of work.

Regent Stephens recommended an opportunity for Regent input and the bifurcation of the presentation of the evaluation report from the contract.

Regent Lieberman looked forward to policy language recommendations from staff. He recommended the Chairman have as much input into the creation of the Committee as the Chancellor has had in the past and recommended an increase in the number of people conducting interviews.

Regent Crear recommended adding diversity to the evaluation criteria.

Regent Leavitt recommended the criteria relating to relationship with the Board be placed as the number one criteria. All Regents should be allowed input during the evaluation process.

Regent Melcher recommended the evaluation be presented to the Board on Thursday of the Board meeting and the contract on Friday of the Board meeting. He also asked that the next president evaluation be delayed until the new process is finalized.

Special Advisor Wasserman restated the motion.

Regent Crear clarified the final policy will come back to the Board. Special Advisor Wasserman stated the policy revision will come back to an upcoming Board meeting.

Motion carried. Regent Trachok was absent.

Faculty Senate Chair Joe Grzyski, DRI, and Faculty Senate Chair Chuck Price, UNR, presented revisions regarding the annual and periodic evaluation process and asked to be included in making policy changes. Chancellor Klaich stated he knew the alternative process was rough around the edges and that the recommendations received have been positive and constructive. Only after meeting with all the stakeholders and gathering their input will they bring back a solid policy that improves on the current policy.

President Wells stated there needed to be efficiency and consistency among the campuses along with a mechanism inclusive of the entire institution.

14. Information Only- New Business (Agenda Item #14) – Regent Melcher noted they were still looking for representation to attend the GBC commencement. Chancellor Klaich stated Vice Chancellor Woodbeck will be in attendance.

Regent Stephens reiterated follow-up on the employee's health benefits and that it come back to a future meeting.

15. Information Only- Public Comment (Agenda Item #15) – None.

The meeting adjourned at 3:19 p.m.

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