

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 2016 meeting.

**BOARD OF REGENTS\* and its  
ad hoc COMMITTEE ON ATHLETICS  
NEVADA SYSTEM OF HIGHER EDUCATION**  
System Administration, Las Vegas  
4300 South Maryland Parkway, Board Room  
Monday, November 30, 2015

Video or 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, Co-chair  
Dr. Jason D. Geddes, Co-chair  
Mr. Cedric R. Crear  
Mr. James Dean Leavitt  
Mr. Kevin C. Melcher  
Mr. Michael B. Wixom

Other Regents Present: Mr. Trevor Hayes  
Mr. Sam Lieberman

Others Present: Ms. Brooke Nielsen, Vice Chancellor for Legal Affairs  
Mr. Nicholas Vaskov, System Counsel and Director of  
Real Estate Planning  
Dr. Michael D. Richards, CSN  
Dr. Marc A. Johnson, President, UNR  
Ms. Tina Kunzer-Murphy, UNLV  
Mr. Rhett Vertrees, UNLV  
Mr. Doug Knuth, UNR

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

Chair Kevin J. Page called the meeting to order at 1:04 p.m. with all members present.

1. Information Only-Public Comment – None.
2. Approved-Minutes – Request is made for approval of the minutes from the September 8, 2015, meeting (*Ref. COA-2 on file in the Board office*).

Regent Crear moved approval of the minutes from the September 8, 2015, meeting. Regent Geddes seconded. Motion carried.

3. Information Only-NSHE Basketball/Football Coach Contract Template Revisions and Guidelines and Head Coach Employment Agreement Form – Based on the proposed revisions to the Basketball/Football Coach Contract Template Revisions and Guidelines document presented by Vice Chancellor for Legal Affairs, Brooke Nielsen, and after a lengthy discussion, the Committee asked that a revised template and checklist be brought to the next committee meeting (*Ref. COA-3 on file in the Board office*).

Vice Chancellor Nielsen said the item is a revision of the basketball/football coach contract template which the Board discussed on several occasions. The revisions proposed today are intended to address the issues Regents have raised with regard to the template. She indicated there are also six guidelines specific to help the institutions enter into a new contract with coaches for football and men's and women's basketball.

Vice Chancellor Nielsen worked with general counsel from both UNLV and UNR. She also spent time with UNR Athletic Director Doug Knuth and UNLV Athletic Director Tina Kunzer-Murphy. Vice Chancellor Nielsen felt consensus was reached on many of the items but she will leave some items to the Athletic Directors to address where it was believed there should be more flexibility for the institutions.

Vice Chancellor Nielsen briefly touched upon the highlights of the revisions and noted that at the end there are six guidelines for the Committee to adopt. She said these changes would guide the institutions whenever they enter into new contracts with coaches. She recommended putting the changes in written form into the Procedures and Guidelines Manual.

Vice Chancellor Nielsen said the proposed revisions in the contract template include:

- Mandatory Background Check
- Employee's Certification of Truth and Accuracy of Materials and Representations
- Added option for head coach not to be subject to reassignment
- Good Sportsmanship
- Academic Performance
- Discipline/Corrective Action
- Periodic Personnel Evaluations
- Media and Public Appearance Fee
- Additional Compensation

3. Information Only-NSHE Basketball/Football Coach Contract Template Revisions and Guidelines and Head Coach Employment Agreement Form – *(continued)*

Proposed revisions in the contract template: *(continued)*

- Supplemental Compensation
- Termination Without Cause
- Mitigation of Damages Clause
- Additional/Supplemental Compensation
- Termination with/without Cause
- Determination of Cause
- Employee Termination for Convenience-Liquidated Damages

Vice Chancellor Nielsen said the proposed guidelines are as follows:

- Template changes must be justified in writing and approved by the Board
- Long-term contracts-institution must address its ability to pay
- Base compensation should be less than president or justification provided for going above
- No public announcement in accordance with Code, Title 2, Chapter 5, Section 5.4.2(g)
- Timely provision of materials to Board before meeting to approve contract
- Diversity efforts in recruitment documented in writing

After a lengthy discussion by the Committee, the Athletic Directors and President Johnson, Chair Page indicated it was not necessary to approve the changes to the template at today's meeting. He felt this was a first run-through and would prefer to have a template that makes sense to be brought back at a future meeting.

Regent Wixom felt these types of contracts are unique and this contract has a different set of ramifications. He felt while a contract may meet the technical requirements it may not work within the practical realities of what is being faced. He believed the Committee would like to have a template and not have to re-invent a contract every time there is a negotiation. The Committee has to have a comfort level that the contract is consistent with Board policies and procedures. He is not interested to have a coach or coach's agent re-write the contract. The Committee has to make sure that the contracts the institutions have are commercially reasonable within the context of the industry. He liked the form and approach but would like a higher comfort level that the contract meets commercially reasonable standards within the industry so that when it is adopted, the presidents and athletic directors will not unintentionally have their hands tied when it is time to negotiate a contract. The Board would not know this was done until being in the middle of a negotiation – the issues have to be identified ahead of the curve. Regent Wixom thought more time was necessary to be sure it is a Regents' contract and not a coach's contract.

3. Information Only-NSHE Basketball/Football Coach Contract Template Revisions and Guidelines and Head Coach Employment Agreement Form – *(continued)*

Vice Chancellor Nielsen said the effort with the changes was based on addressing every issue heard by a single Regent who said something that was bothersome or a matter of concern. She stated what has been presented is for the Committee to consider and to make the policy decision. The goal is to have a template to rely on, but there may be a particular clause a coach does not want or would like to have different language. She said the request for approval of any changes would go before the Board.

Regent Geddes preferred having an agreed upon template. He thought if the athletic directors and presidents need to make changes in a specific negotiation, and highlight those changes subject to Board approval, it is entirely reasonable to have some flexibility.

Regent Melcher thought it was obvious there would not be an answer today, nor will there ever be a perfect template addressing every situation. He appreciated the way Vice Chancellor Nielsen built in pieces that allow for some adjustment. He wondered if there could be a designated Regent to work with athletic directors, presidents and the Chancellor to review the contracts timely so issues can be addressed before being presented to the full Board.

Regent Wixom appreciated Vice Chancellor Nielsen's observations about the origin of some of the terms. He suggested to address this at the February 2016 meeting as a final action item, but in the interim request staff do as much of a check on contract terms within industry standards as reasonably possible to help the Committee and Board make an informed decision.

Vice Chancellor Nielsen is happy to work on a checklist with the athletic directors. Regent Page asked if the presidents have been included in the discussions. Vice Chancellor Nielsen said the template was shared with the presidents and there was no direct feedback except from the athletic directors.

President Johnson felt most of the provisions proposed were in good form. He thought if the Board accepts 95 percent of the contract as a template, and the template is followed, then filling in the blanks in the term sheet would be sufficient and a consideration for the Board to approve the contract. Secondly, it should be clear the Board is not hiring the coach, but approving the contract for the coach, who is recommended by the athletic director and the president of the institution. Chair Page said this would be tabled until the February 2016 meeting with information being provided between the meetings.

4. Information Only-NSHE Athletic Department Budget Reports – The athletic directors of the University of Nevada, Reno, the University of Nevada, Las Vegas, the College of Southern Nevada, and Western Nevada College presented detailed athletic department budget reports, including (a) the four year history of actual revenues and expenses, and (b) the four year revenue and expense projections (*Refs. COA-4a, COA-4b, COA-4c, COA-4d on file in the Board office.*)

Chair Page asked if there were questions for WNC and CSN (*to which there were no questions*).

Chair Page asked if there were questions for UNLV. Regent Geddes noted the Net and Self-Supporting Budget ending the projection reserves in 2019 goes into the negative and asked if there was a plan to keep it from going into the negative. Ms. Tina Kunzer-Murphy, UNLV Director of Intercollegiate Athletics, explained when the projections were predicted there was a clear decline in institutional support from 2016 to 2019. The projections are guesses in many ways, one being televisions revenues. Ms. Kunzer-Murphy noted there was no clear-cut plan other than to work on alternatives to increase revenues, like the cost of attendance and additional support from the Legislature.

Regent Geddes asked why the institutional support number is dropping. Ms. Kunzer-Murphy said the institutional support is determined by the Finance Department, not the Athletic Department. The numbers were backed off because, as the athletic revenues increase, the institutional support is decreased – it seems the more athletics does the less athletics receives.

Regent Geddes asked if the revenue transfer in from the Thomas & Mack Center (TMC) was a fixed dollar amount or a fixed percentage based on projected income. Ms. Kunzer-Murphy said the typical transfer from the TMC is \$2.8 million. Last year was exceptional with \$3.25 million transferred in. She stated that typically the Athletic Department's revenue is approximately \$5.0 million but only \$2.8 million of the revenue allocations is transferred in. She felt this is another possible revenue generating area to discuss.

Regent Geddes noted the BCS/Bowl Game revenue was negative for 2015 and asked how it worked. Ms. Kunzer-Murphy said the BCS is no longer – the playoff is this year and the Mountain West will not have a representative, affecting each institution by at least \$200,000. Regent Geddes thought the effect would take place in 2016. Mr. Rhett Vertrees, Associate Vice President TMC/ICA Business Services, Auxiliary Financial Services and Audit, UNLV, explained that annually the conference plays seven or eight bowl games which means in 2015, because of the change to the college football playoff, money is being distributed differently. He said UNLV ended up with a negative in that area because UNLV went to another bowl game. The negative number is because money was paid to teams that actually brought in revenue so an adjustment was made to the college football playoff to cover the negative amount – UNLV helped supplement all the other bowl games. Regent Page thought 2014 looked as if

4. Information Only-NSHE Athletic Department Budget Reports – (continued)

UNLV broke even. Mr. Vertrees agreed UNLV broke even in 2014 and probably would have made more money by not going to that bowl game.

Regent Geddes said the request was for four year actuals to be projected for the four previous years, which was not supplied. Chair Page thought it would be helpful to see budget versus actual and asked for revised reports to be provided. Chair Page asked if there were questions for UNR. Regent Wixom asked, in the Summary of ICA Revenues/Expenses, what comprised the Institutional category. Mr. Doug Knuth, Director of Athletics, UNR, said Institutional is made up of student fees and additional transfer and fee waivers. Regent Wixom felt when the student fee revenue was compared to UNLV it seemed to be relatively static but UNR's is projected to go from \$2.19 million to \$2.92 million and wondered what the basis of the increase was. President Johnson stated approximately half of the student fees are a per credit hour fee and therefore, as UNR grows in the number of students, more students are generating fees, but it is not an increase in fees. Regent Wixom asked what the average student paid per year in student athletic fees at UNR and UNLV respectively. President Johnson replied at UNR it is \$4.15 per credit hour, which for 30 credits would be approximately \$120 per year. Ms. Kunzer-Murphy stated it is approximately the same at \$120 per year per student.

Regent Hayes noted UNR and UNLV 2019 student fee projections are approximately the same. He wondered if UNR was projecting to have a total enrollment identical to UNLV in three years. President Johnson said UNR is not projecting to have equal enrollment with UNLV at that time. Regent Hayes believed UNLV's budget for this year was \$51 million and UNR's is approximately \$26 million, and in 2019 UNR's is just under \$28 million. He wondered if there was a plan for UNR to get up closer to competitive schools in the conference having \$40 million plus budgets. Mr. Knuth said the plan is driven by growing revenues in ticket sales, fundraising and corporate sponsorships.

Chair Page said the UNR revenue for football is projected to decrease in 2016. Mr. Knuth stated the reason for the decrease is primarily based on the UNR home schedule – which is not very strong. He continued there is a secondary effect with the renovated football stadium – the season ticket prices are increasing significantly which may have an impact on the single game ticket prices. The guesstimate is very conservative as to where UNR will be next year in terms of single game ticket revenue.

Chair Page noted there were funds for NCAA eligibility in 2015 and 2016 only. Mr. Knuth replied the funds were an institutional commitment to help with student athletes on scholarship below a 3.0 grade point average. Students having less than a 2.0 grade point average are not eligible for scholarship aid. He said there is an agreement in place to pare that down over a three year term ending in

4. Information Only-NSHE Athletic Department Budget Reports – *(continued)*

2016. Chair Page pointed out if it was over a three year period ending in 2016, 2014 should show in the report. Mr. Knuth explained 2014 should have shown but was put in supplemental funding. Chair Page said it would be helpful to combine the three years in the report. He felt if the numbers were going to be the same for years 2017 through 2019, it was a useless estimate and a waste of time. Regent Geddes believed it was the reason for requesting the four previous years projected and actual. Chair Page thought when the budget is presented the actuals might help to see where the numbers come from.

Chair Page stated the Committee is still waiting for UNR to supply answers to questions asked at the September 8, 2015, meeting. He said, specifically, there were some numbers on the financials that did not balance or did not make sense like the Bond Revenue and Bond Expense having the same number.

5. Approved-NSHE Athletics Competitiveness and Benchmarking Study – The Committee recommended approval for the Chancellor to issue a Request for Proposal (RFP) to get pricing for both the scope of work for the NSHE Athletics Competitiveness and Benchmarking Study and the Optional Phase 2 of the study. Responses received in the request for proposal shall be presented to the Committee at its February 2016 meeting for review and possible award of a contract. *(Ref. COA-5 on file in the Board office).*

Mr. Nicholas Vaskov, System Counsel and Director of Real Estate Planning, explained at the September 8, 2015 meeting, the Committee directed the Chancellor to prepare a proposal containing recommendations for how best to conduct a study of the UNLV and UNR Athletic Departments to determine the relative levels of competitiveness. The request was based, in part, on a benchmarking presentation prepared for the University of California, Davis, provided by Regent Geddes. Mr. Vaskov said the Committee has a draft for the scope of work for a study that would aim to produce a similar benchmarking evaluation. The scope of work identifies key questions and relevant factors of competitiveness like athletic expenses and revenue, and academic performance and administrative support, and it seeks data comparing those factors among Mountain West Conference institutions. The scope of work includes some current issues not contained in the UC Davis report like cost of attendance, food and nutrition supplements and athletic facilities. Mr. Vaskov stated, upon approval, the Chancellor will issue an RFP and award a contract for the completion of the study. He noted an Optional Phase 2 of the scope of work is described in the document which would compare the UNR and UNLV Athletic Departments to members of the Pac 12 and Big 12 conferences in relation to the factors of competitiveness.

Regent Geddes felt the proposed scope of work was what the Committee requested. He especially liked the breakout section of the athletic census and expenses for all sports within the NSHE conference institutions. He wondered if it would include those sports

5. Approved-NSHE Athletics Competitiveness and Benchmarking Study – *(continued)*

played in different conferences like some of the Western Athletic Conference versus in the Mountain West. Mr. Vaskov thought it would be beneficial to discuss exactly what conferences are covered, and agreed some of the more minor sports are in different conferences, so the comparison might be dissimilar for those sports. Regent Geddes thought the Optional Phase 2 would provide a cost breakout depending on the direction of where to go. Mr. Vaskov felt the report would be very visual, with graphs, to identify the differences of competitiveness.

Regent Geddes moved approval for the Chancellor to issue a Request for Proposal (RFP) to get pricing for both the scope of work for the NSHE Athletics Competitiveness and Benchmarking Study and the Optional Phase 2 of the study. Responses received in the request for proposal shall be presented to the Committee at its February 2016 meeting for review and possible award of a contract. Regent Wixom seconded.

Regent Hayes wondered if there was a cap on the cost of the study. Regent Geddes would like to see if the responses to the RFP are reasonable. Chair Page felt the study would be a good comparison and is interested in seeing the RFP responses. Regent Melcher would not like to spend too much money on the process and felt the institutions could provide pertinent information.

Mr. Vaskov said there were questions of what the scope of the study should be – to either include only the Mountain West or expand it out to other conferences. He added the Optional Phase 2 would expand the study to include the Pac 12, Big 12 and member schools within those conferences – which is completely up to the Committee to either limit it to the Mountain West or expand it out. Regent Hayes thought it would be useful if compared to aspirational schools such as the Pac 12 and Big 12 rather than a vacuum. Regent Wixom felt no tasks reflected in the proposal would preclude the study. He pointed out UNR and UNLV have yet to make it to the averages of peers in the Mountain West and there is a long way to go. He believed there has to be a comprehension of where the Mountain West schools are because UNR and UNLV are not at that level – let alone consider the idea of moving into a different conference with higher levels of competitiveness. The very first issue is to realize where the NSHE institutions are now – which is a natural segue into studying where other schools are. He felt the study would provide an important view for all sorts of policy reasons looking at the role of intercollegiate athletics; what we want to be, what we want the role of intercollegiate athletics to be, what the state is willing to pay, what our commitment levels are, what the costs are, and who they impact before undertaking that kind of initiative. Regent Wixom viewed it as a two stage process of where we are and what we want relative to our peers. He thought after that dynamic is understood it is appropriate to be aware of what other conferences are spending and if we are willing to take on that responsibility.



5. Approved-NSHE Athletics Competitiveness and Benchmarking Study – *(continued)*

Regent Leavitt thought the Board needs to declare what the aspirations are for the institutions with input from the presidents and athletic directors. He felt affordability has to be discussed.

Regent Geddes suggested Chair Page be involved in the bidding process and negotiations for best pricing.

Motion carried.

6. New Business – None.

7. Information Only-Public Comment – None.

The meeting adjourned at 3:08 p.m.

Prepared by:

Nancy Stone  
Special Assistant & Coordinator  
to the Board of Regents

Submitted for approval by:

Dean J. Gould  
Chief of Staff and Special Counsel  
to the Board of Regents