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 2017 meeting.

BOARD OF REGENTS and its
BUSINESS, FINANCE AND FACILITIES COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION

June Whitley Student Lounge, E-130
College of Southern Nevada
3200 E. Cheyenne Avenue, North Las Vegas
Thursday, March 2, 2017

Video 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, Chair
Mr. Cedric Crear, Vice Chair
Dr. Mark W. Doubrava
Mr. Trevor Hayes
Mr. John T. Moran

Others Present: Mr. John V. White, Chancellor
Mr. Robert Moulton, Vice Chancellor, Information Technology
Mr. Vic Redding, Vice Chancellor, Finance
Mr. Nicholas Vaskov, Vice Chancellor, Legal Affairs
Mr. Frank R. Woodbeck, Executive Director, Nevada College Collaborative
Mr. Jamie Hullman, Senior Director, Finance
Mr. Fred Egenberger, Budget Director, Finance
Mr. Joseph Sunbury, Chief Internal Auditor, Finance
Dr. Michael D. Richards, President, CSN
Mr. Bart J. Patterson, President, NSC
Dr. Karin M. Hilgersom, President, TMCC
Dr. Len Jessup, President, UNLV
Dr. Marc A. Johnson, President, UNR
Mr. Chet O. Burton, President, WNC

Faculty senate chairs in attendance were Mr. Alok Pandey, CSN; Dr. Mark Green, DRI; Mr. Eric March, System Administration; and Mr. Jeffrey Downs, WNC. Student body presidents in attendance were Mr. Jonah Dueck, GBC; Mr. David Turner II, TMCC; Ms. Meghan Pierce, UNLV-GPSA; and Mr. Brandon Boone, UNR-ASUN.

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

Chair Kevin J. Page called the meeting to order at 9:22 a.m. with all members present.

1. Information Only – Public Comment – None.

2. Approved – Consent Items – The Committee recommended approval of the consent items.

   2a. Approved – Minutes – The Committee recommended approval of the December 1, 2016, meeting minutes *(Ref. BFF-2a on file in the Board Office).*

   2b. Approved – 2016 Self-Supporting Summer School/Calendar Year Budgets, Budget to Actual Comparison – The Committee recommended approval and acceptance of the 2016 Self-Supporting Summer School and Calendar Year Budgets, Budget to Actual Comparison Report, for the NSHE *(Ref. BFF-2b(1) & Ref. BFF-2b(2) on file in the Board Office).*

   2c. Approved – Mid-Year Fiscal Year 2016 – 2017 Self-Supporting Budgets & 2017 Summer School/Calendar Year Budgets – The Committee recommended approval and acceptance of the NSHE Mid-Year Self-Supporting Budgets for Fiscal Year 2016 – 2017 and the Self-Supporting Summer School/Calendar Year Budgets for Calendar Year 2017 *(Ref. BFF-2c(1) & Ref. BFF-2c(2) on file in the Board Office).*

   2d. Approved – Second Quarter Fiscal Year 2016 – 2017 NSHE All Funds Report – The Committee recommended approval and acceptance of the Second Quarter Fiscal Year 2016 – 2017 All Funds Report for the NSHE *(Ref. BFF-2d(1) & Ref. BFF-2d(2) on file in the Board Office).*

   2e. Approved – Second Quarter Fiscal Year 2016 – 2017 Budget Transfers, State Supported or Self-Supporting Operating Budgets – The Committee recommended approval and acceptance of the Report of the Second Quarter Fiscal Year 2016 – 2017 Budget Transfers of State Supported or Self-Supporting Operating Budget Funds Between Functions *(Ref. BFF-2e(1) & Ref. BFF-2e(2) on file in the Board Office).*

   2f. Approved – *Handbook* Revision: Self-Supporting Courses or Programs – Deferred Payment Plans – The Committee recommended approval of the proposed policy revision to have a payment plan for a self-supporting program, which is not permissible under the current policy (Title 4, Chapter 17, Sections 15 & 16) *(Ref. BFF-2f on file in the Board Office).*

   2g. Approved – Transfer of Real Property at 829 N. Center Street, Reno, NV, From The UNR Foundation to NSHE – Resolution – UNR – The Committee recommended approval of the deed transfer of 829 N. Center Street, Reno, Nevada, APN: 007-183-07, from the University of Nevada, Reno Foundation to the Nevada System of Higher Education as a gift on behalf of the University of Nevada, Reno *(Ref. BFF-2g on file in the Board Office).*

2. Approved – Consent Items – *(continued)*

2h. Approved – Authorization for Pre-Approval to Sell Real Property Located at 2747 Paradise Road, #1805, Las Vegas, NV – Resolution – UNR – The Committee recommended approval a Resolution to allow the Chancellor or his designee to sell the property located at 2747 Paradise Road, #1805, Las Vegas, Nevada, APN: 162-09-614-096, at or above the current appraised value and to sign all sales related documents, after consultation with and review by the Vice Chancellor for Legal Affairs *(Ref. BFF-2h on file in the Board Office).*

Regent Doubrava moved approval of the consent items. Vice Chair Crear seconded. Motion carried.

3. Information Only – Second Quarter Fiscal Year 2016-2017 Fiscal Exceptions and Status of State Appropriations – The Second Quarter Fiscal Year 2016-2017 Report of Fiscal Exceptions of Self-Supporting Accounts and Status of State Supported Operating Budget Revenues was presented *(Ref. BFF-3a & Ref. BFF-3b on file in the Board Office).*

Mr. Fred Egenberger, Budget Director, Finance, provided a brief review of the report and highlighted the following:

- The UNR Fire Science Academy (FSA) reported a cash deficit for the first quarter of the fiscal year 2016-17 which remains constant at $8,649,214.
- The UNR Intercollegiate Athletics program reported a cash deficit of $10.1 million through the second quarter of fiscal year 2016-17.
- The University of Nevada, Reno School of Medicine (UNR Med) Practice Plan accounts are currently experiencing cash flow issues (discussed at the December 2016 Board meeting). The total negative cash balance reported for the Practice Plan accounts for the second quarter of fiscal year 2017 was an increase in the deficit of approximately $5.3 million over the beginning of the fiscal year 2017 negative cash balance of $8.6 million for a total of $13.8 million.
- The CSN Dental Practice Plan report reflects expenses in the amount of $37,757 that should have been included as encumbrances. The correction reduces the deficit of the Ending Cash Balance from $305,264 to $267,517.

Mr. Egenberger noted there were no other material NSHE fiscal exceptions that required reporting. The self-supporting budget accounts with cash deficits appeared to be operating normally and are expected to be cleared with billed receivables, future account revenue collections, budget transfers or expenditure

3. <u>Information Only – Second Quarter Fiscal Year 2016-2017 Fiscal Exceptions and Status of State Appropriations</u> – *(continued)*

reductions. He stated other revenues authorized by the Legislature in support of the NSHE State Operating Budget, such as student fee revenues, are projected to exceed authorized and budgeted amounts for the year by approximately $17.3 million for the following budgets combined: UNR, UNR Med, UNLV, UNLV Boyd School of Law, GBC and NSC.

Regent Hayes commented between the UNR athletics budget report presented at the February 23, 2017, Athletics Committee meeting and Mr. Egenberger's report, it seemed the numbers do not coincide. Regent Hayes asked for clarification on the discrepancy.

Mr. Bruce Shively, Associate Vice President, Planning and Budget Analysis, UNR, explained the discrepancy has to do with timing of the receipt of revenues. The report Mr. Egenberger presented is showing through two quarters of the fiscal year. The report given in the February 2017 Athletics Committee meeting captured projected expenses and revenues for the entire year. Consequently, most of the revenues for intercollegiate athletics come late in the fiscal year. The large deficits are carried through most of the fiscal year and then catch up by the end of the year. The information provided in the last Athletics Committee meeting is accurate and UNR athletics expects to end the fiscal year with a positive balance in the annual operations.

Regent Hayes asked if the second quarter was when the athletics program was showing the $10 million deficit. Mr. Shively answered that the $10 million is an aggregate figure through the two quarters. Large portions of the fundraising money and the distribution from the conferences come in the month of June. In response to a statement from Regent Hayes, Mr. Shively confirmed the numbers presented in the last Athletics Committee meeting are accurate.

Dr. Marc A. Johnson, President, UNR, provided further clarification by sharing that it is typically around June 30, the last day of the fiscal year, when the conference distributes the annual payment. He noted the $3.7 million accumulated cash deficit has been declining over the years and they are projecting a positive balance at the end of the year, which mean progress is being made as the deficit will be reduced.

Regent Hayes commented if there is any positive balance, it may go toward contract renegotiations for one or more of the successful head coaches this season, as opposed to paying off the deficit.

President Johnson said the UNR Director of Intercollegiate Athletics has set aside $400,000 to pay off the deficit and anticipates a positive ending balance at the end of the year. President Johnson expressed his confidence in the debt being paid off and he will keep the Regents informed.

3. Information Only – Second Quarter Fiscal Year 2016-2017 Fiscal Exceptions and Status of State Appropriations – *(continued)*

Chair Page said the projections presented at the previous Athletics Committee meeting showed that UNR basketball had revenue. He inquired about revenue sharing with the coach after the revenue exceeds $1.2 million. President Johnson said they did not reach the threshold of $1.2 million last year which means there was no additional payment. President Johnson deferred to Mr. Shively for the status in basketball revenue thus far.

Mr. Shively said they anticipated and included in their projections a distribution to the head basketball coach if the seating numbers exceed what is included in the coach's contract. At this point, they are not certain of the game attendance numbers to determine whether or not the head basketball coach will receive a distribution.

With regard to football, Chair Page asked if there is information available on whether the remaining coaches have secured employment elsewhere. President Johnson said some of the coaches have found other jobs, but was not sure of the status of the others.

Mr. Tim McFarling, Associate Vice President, Human Resources, UNR, confirmed six of the coaches' contracts will end on March 31, 2017. Three of the coaches who had contracts which extended through 2018 have resigned.

Chair Page said it will be helpful for the Committee to receive the contract and employment status of each of the coaches.

Regent Hayes had an inquiry regarding the plans to eliminate the UNR Med Practice Plan deficit.

Dr. Thomas Schwenk, Dean, UNR Med, explained there are two items to examine in regard to this: an operating deficit and long term debt. The deficit presented in the report is long term debt and is the money the Practice Plan owes UNR for faculty which has accumulated over a number of years. Once the transition is complete and there is a clear understanding of the sale of assets and the collection of accounts receivable, a lump sum payment will be made to start the process of repayment. Dean Schwenk and staff will share a more detailed plan with President Johnson regarding a long term plan of repayment and will also report it to the Regents after the transition in July 2017.

The operating deficit is currently at $3 million and $1 million of the deficit is attributed to the southern Practice Plan. Dean Schwenk believes they will transition a relatively stable and near break-even operation to UNLV by July 1, 2017. The northern Practice Plan has challenges, such as it is small relative to the fixed overhead and there are plans to downsize in effort to be more proportionate

3. Information Only – Second Quarter Fiscal Year 2016-2017 Fiscal Exceptions and Status of State Appropriations – *(continued)*

with the Practice Plan. Part of the northern Practice Plan has already integrated clinically with Renown Health and the mechanism of reimbursement for faculty services, as part of that integration, is more advantageous because UNR Med is being paid on the basis of work. UNR Med is also collaborating with Mojave Mental Health, which is a critical service for northern Nevada, and working closely with the state on new reimbursement models. A project in the works is integrating UNR Med's medical records with Renown Health's EPIC medical record system which will have both operational and financial advantages.

Regent Hayes asked about the assets UNR Med has to sell and what the rough estimates in value of those assets are. Dean Schwenk answered one of the assets is the pharmacy which is operating in the facility of Mojave Mental Health. They are currently exploring commercial purchase options. There is also clinical equipment from UNR Med's different facilities. The bucket of assets is valued in the $1.5-2.8 million range. They are negotiating with UNLV for the clinical equipment sale.

Regent Hayes asked if there are other specialties UNR Med is looking at, other than mental health, that would have a higher payment and reimbursement model. Dean Schwenk answered Reno is very community-based and well connected to large specialty physician groups who provide UNR Med's teaching. That type of medical school construct, in a relatively modest sized community, encounters great difficulties. UNR Med must be cautious about developing high margin surgical services or medical sub-specialties because it would then be directly competing with colleagues in the community.

Regent Hayes understood there are a number of specialty shortages in Reno. He asked which of those specialties are less competitive. Dean Schwenk answered it is a reasonably accurate generalization to say those specialties for which there are shortages are not the specialties where there is high remuneration.

Regent Doubrava inquired if there has been any change in the contracts for the employed physicians with the Practice Plan in Reno and has the Practice Plan gone to a productivity based model. Dean Schwenk answered they are deeply involved in the implementation of such a compensation model. It will be based more on clinical productivity. There will be a base salary and a component related to various teaching, administrative and clinical responsibilities.

Chair Page asked if the lack of the UNLV Athletics deficit on the report is an oversight. Mr. Egenberger answered on December 31, 2016, UNLV reported a positive cash balance in its intercollegiate athletic accounts and by Board policy that was not required to be included in the report.

4. Approved – New School of the Arts, Fine Arts Building – Bank Promissory Note Resolution – UNR *(Agenda Item 5)* – The Committee recommended approval of a Resolution to secure a competitively bid, fixed-rate, 5-year bank loan in an amount up to $12.625 million *(Ref. BFF-5 on file in the Board Office).*

Mr. Ron Zurek, Vice President, Administration and Finance, UNR, said in December 2015, the Board approved the Fine Arts Building project. A noteworthy aspect of it is that it does not involve state funds and is funded entirely by donor gifts and pledges. In March 2016, the financing plan was presented to the Board and a promissory note was approved from the UNR Foundation to UNR to start the project. Mr. Zurek referred the Committee to the reference material (Ref. BFF-5) and discussed the final cost of the project, the project schedule and the request for a resolution to conduct a competitively bid, fixed-rate, five-year bank loan in an amount up to $12.625 million.

Regent Doubrava asked what kind of reserves does UNR have and is it possible for the institution to fund the loan internally for this project. Mr. Zurek said a majority of the reserves UNR has are engaged in a strategic plan and are being deployed for a number of different campus projects.

To address what type of reserves UNR possesses, President Johnson said the student housing accounts maintain a reserve, but have to be made readily available to pay off building loans, replace furniture, repairs/maintenance and so forth. It is a completely sufficient enterprise. Another reserve is parking which is also dedicated to parking projects such as building the next parking garage. There is a significant amount of money set aside for the three year commitments on new faculty and their start-up funds. There are reserves, but a lot of it is committed and must be available for certain projects.

Mr. Zurek added that recently each institution completed analyses of their cash balances.

Mr. Vic Redding, Vice Chancellor, Finance, explained the Finance department does look at the number of dollars each institution is holding at any given time. They also look at the cash outflows projected as well as the term. Given the term, the cost of money and UNR's relative position, the loan appears to be the right thing for UNR.

Regent Hayes observed there seems to be a heavy number of requests from institutions to take outside loans, rather than fundraising or using internal money. He was curious as to why that is.

Chair Page commented that interest rates have been low for the last six years and are currently rising.

4. Approved – New School of the Arts, Fine Arts Building – Bank Promissory Note Resolution – UNR *(Agenda Item 5)* – *(continued)*

Vice Chancellor Redding said a lot of the debt seen has been refinancing to take advantage of the historically low rates. At least half the recent issuances have been in the refinancing category. One of the impacts of the recession was the decrease in the cost of construction and financing which created an opportune time for the University to pursue a lot of its projects.

Regent Doubrava moved approval of a Resolution to secure a competitively bid, fixed-rate, 5-year bank loan in an amount up to $12.625 million. Vice Chair Crear seconded. Motion carried.

5. Approved – Clark County Water Reclamation District (CCWRD) Sewer Infrastructure Ownership Transfer to UNLV for Maryland Campus and Approval of a New Grant of Easement for CCWRD Infrastructure Remaining on Campus – UNLV *(Agenda Item 6)* – The Committee recommended approval of the Private Sewer Agreement which will allow UNLV to assume ownership of specifically identified CCWRD sewer infrastructure located on the UNLV Maryland Campus; the Grant of Easement for sewer facilities that will remain under CCWRD ownership but are located on UNLV owned property; and that the Chancellor or his designee be authorized to finalize, approve, and execute any additional easements and/or ancillary documents necessary to complete the transition described herein, provided such documents are first approved as to legal form by the Vice Chancellor for Legal Affairs *(Ref. BFF-6 on file in the Board Office).*

Dr. Len Jessup, President, UNLV, requested permission to implement an agreement with the CCWRD regarding splitting responsibility between the institution and Clark County for certain sewer lines which lay under land on campus.

Mr. Gerry Bomotti, Senior Vice President, Finance and Business, UNLV, explained between 1988 and 2005 four buildings were built over easements that had been previously granted to the CCWRD. The easiest and most reasonable solution would be to take over the four relocated lines because the buildings were not built over them, they were relocated and technically the easements are under the four buildings. CCWRD has done maintenance work on the four lines. It would be approximately 3,600 linear feet of sewer line that would be maintained by UNLV, in addition to the existing 36,000 feet of sewer line already managed by UNLV. UNLV is proposing taking over the relocated lines and that there be a new easement to the CCWRD for those on campus that would remain under its responsibility. Going forward, there should not be errors of this nature as they do put the sewer lines in their geographic information system and have a process for new construction that looks at the easement locations before moving forward.

5. Approved – Clark County Water Reclamation District (CCWRD) Sewer Infrastructure Ownership Transfer to UNLV for Maryland Campus and Approval of a New Grant of Easement for CCWRD Infrastructure Remaining on Campus – UNLV *(Agenda Item 6)* – *(continued)*

Chair Page asked what the fiscal impact/liability will possibly be in the future. Mr. Bomotti answered the sewer lines work until there is catastrophic failure. In general, no significant fiscal impact is expected from taking over the 3,600 linear feet of relatively new sewer line. UNLV already maintains about 36,000 feet of sewer line that runs through the campus.

Chair Page asked what the annual cost of maintenance is for the 36,000 feet of sewer line. Mr. Bomotti said when there was a major failure about five years ago, it cost around $20,000-30,000. In general, the maintenance on the sewer lines is only related to catastrophic failures.

Regent Hayes asked if UNLV had not built over the easements and there was failure, would the CCWRD be responsible for the damages. Mr. Bomotti confirmed.

Regent Hayes asked why UNLV would take on the liability of maintaining the four new sewer lines when UNLV could possibly grant the CCWRD an easement and the County can continue to be responsible for those lines. Mr. Bomotti answered when the lines were relocated, they were reconnected only to serve the UNLV facilities. The CCWRD's position is because relocation happened due to UNLV's request, UNLV should be responsible for the lines.

Regent Hayes expressed his concern of UNLV's responsibility and acceptance of potentially large costs when the lines do fail. His thought was it would be simpler and more beneficial to UNLV if the easement was relocated and the liability is shared with the CCWRD. Mr. Bomotti said when the lines were relocated, it was only relocated for UNLV's use. He assured the Committee the resolution with the CCWRD is reasonable.

Chair Page asked who authorized moving the four sewer lines. Mr. Bomotti said it looks like the projects that built the four structures relocated the lines, and two of those projects were managed by the State Public Works Board, with UNLV staff involved in the planning. It seemed that those involved had incorrectly assumed those were UNLV's sewer lines and the relocation was approved.

Chair Page said hopefully this is a lesson learned for the future.

5. <u>Approved – Clark County Water Reclamation District (CCWRD) Sewer Infrastructure Ownership Transfer to UNLV for Maryland Campus and Approval of a New Grant of Easement for CCWRD Infrastructure Remaining on Campus – UNLV *(Agenda Item 6)*</u> – *(continued)*

Regent Doubrava moved approval of the Private Sewer Agreement which will allow UNLV to assume ownership of specifically identified CCWRD sewer infrastructure located on the UNLV Maryland Campus; the Grant of Easement for sewer facilities that will remain under CCWRD ownership but are located on UNLV owned property; and that the Chancellor or his designee be authorized to finalize, approve, and execute any additional easements and/or ancillary documents necessary to complete the transition described herein, provided such documents are first approved as to legal form by the Vice Chancellor for Legal Affairs. Vice Chair Crear seconded. Motion carried.

6. <u>Information Only – Business Office Centralization and Shared Services *(Agenda Item 7)*</u> – NSHE staff updated the Board on initiatives related to centralization and shared service opportunities in NSHE business office functions. As a follow-up to the discussion at the September 2016 meeting, this item also included an update regarding purchasing office structure and potential purchasing collaborations *(Supplemental material on file in the Board Office).*

Mr. McFarling reported that shared services already exist in northern and southern Nevada. Business Center North (BCN) provides benefit services to UNR, TMCC, WNC, DRI (Reno), GBC and the NSHE System office. Business Center South (BCS) provides benefit services to UNLV, CSN, DRI (Las Vegas) and the NSHE System office. There are advantages to regional benefit services as health care networks vary from the north and south. Through the Workday design and configuration, benefit processes have been standardized in the BCN and BCS offices. At this time, the greatest opportunity for efficiency within benefits would be increased automation and systems integrations with the Public Employees' Benefits Program (PEBP) and the Public Employees' Retirement System of Nevada (PERS Nevada). Most of the PEBP and PERS processes are paper and manual driven. They will continue to pursue additional system interfaces after Workday implementation as data transfer between the NSHE benefits offices and PEBP/PERS would result in the greatest efficiencies.

Mr. McFarling discussed classified employment services which would involve recruitment, job classification, salary administration and employee relations.

6. Information Only – Business Office Centralization and Shared Services *(Agenda Item 7)* – *(continued)*

Consolidation and standardization of recruitment began in 2016 with NSHE withdrawing from the state recruitment system. All of the NSHE recruitment will be consolidated within the Workday system. Efficiencies will be gained as job candidate information from the application will be captured and transferred to the hire process within Workday. The recruitment process will have a stabilization period after Workday "Go-Live." Other classified Human Resources functions will be continuously evaluated as the capabilities of the Workday system are better understood going forward. The stabilization period post "Go-Live" will be busy, but other efficiencies and additional standardization opportunities will be pursued as Workday is being operationalized.

Vice Chancellor Redding assured nothing will be sacrificed or lost in the long run by not centralizing prior to "Go-Live." The structure of Workday and the flexibility built into it allows a fairly simple process for changing roles and security. In response to a question from Chair Page, Vice Chancellor Redding confirmed Workday will "Go-Live" in October 2017.

Mr. Ray Moran, Director, Purchasing, Business Center North, provided an update on the NSHE Purchasing office structure and its collaboration efforts including Workday, purchasing and contracting solutions and the role of the Purchasing department post "Go-Live."

Ms. Sharrie Mayden, Director, Purchasing and Contracts, UNLV, added that automation and availability of data through Workday will have a number of benefits as far as creating efficiencies such as the reduction of processing time for purchases. She noted Workday does not deliver sealed bidding functionality at this time, therefore UNLV Purchasing and Contracts will be implementing a third party software product for automating which is currently used by 13 governmental agencies throughout Nevada. In summary, automating major processes and being able to capture and analyze the data are the two key elements to have in place as the Workday discussions continue.

In response to a comment from Chair Page, Mr. Rolando Mosqueda, Associate Vice President, Procurement and Auxiliary Services, CSN, shared a few of the collaboration efforts between Mr. Moran, Ms. Mayden and himself. He noted, in particular, administering joint solicitation such as office supplies. They pooled together their spending power in the southern part of the state and realized a contract that improved service and delivered great savings. They are looking forward to the purchasing and procurement governance process that will allow policies and procedures to be created that will mandate some of the processes. Each institution has a unique mission and they are trying to support that mission at the department level by keeping the lines of communication open and entrenching the idea of centralization.

6. <u>Information Only – Business Office Centralization and Shared Services</u> *<u>(Agenda Item 7)</u>* – *(continued)*

Chair Page inquired when the joint office supply contract was implemented and what the estimated cost savings was by doing the joint contract. Mr. Mosqueda said the contract was implemented about a year ago and they saved approximately 10% overall which equated to approximately $200,000.

7. <u>Information Only – Tier I and Tier II Supplier Diversity Spending Reports</u> *<u>(Agenda Item 8)</u>* – Board Policy (*Handbook* Title 4, Chapter 10, Section 2) requires annual reporting on the results of supplier diversity efforts. NSHE staff provided reports from FY16 and an update on the initiative *(Ref. BFF-8 on file in the Board Office).*

Vice Chancellor Redding said when the iNtegrate 2 project was approved and the Workday contract was awarded, one of the discussion points was what Workday could do to help further initiatives such as the Tier I and Tier II reports. As they move forward in the design process for Workday, Vice Chancellor Redding has asked the Purchasing Directors to comment on what type of functionality Workday will bring with regard to this specific area.

Mr. Moran commented that Workday's data can and will lead to improved performance. The purchasing directors are data-limited and rely heavily on paper files and records, along with disjointed operations to perform their jobs and report their performance. NSHE is about to attain a higher level of abilities which includes a new ability to promote small, disadvantaged and local businesses. The supplier registration system will give NSHE accurate information about which suppliers are classified as disadvantaged and what products they sell; the bidding system will keep track of the receipt and responses to NSHE's bids, all will allow the bids to be directed to certain groups of suppliers. Workday will provide the data needed to accurately measure progress, analyze where there is room for improvement and assist with creating reports, such as the Tier I and Tier II reports.

Mr. Moran noted it is important to continue to incorporate face-to-face interaction and mentoring with the smaller local businesses. The three purchasing directors and their staff provide those services, in addition to individual counseling and encouragement of entrepreneurs and start-up businesses. The purchasing directors and their teams host and/or participate in numerous programs to promote business opportunities for small, disadvantaged and local businesses, which include the UNLV/CSN/NSC Supplier Inclusion event, and participating in procurement outreach programs aimed at small business development. Mr. Moran encouraged members of the Board to contact the purchasing directors to learn more about, and perhaps participate in, their outreach efforts.

Ms. Mayden provided comments on how Workday will impact the future reporting capabilities and also discussed the content of UNLV's report. The

7. <u>Information Only – Tier I and Tier II Supplier Diversity Spending Reports *(Agenda Item 8)*</u> – *(continued)*

System does not have a unified database that captures the same data or level of data for each campus. Also, the data currently available to each purchasing office is not the same. The implementation of Workday, NSHE Supplier Registration and Ion Wave will provide a platform to assist the purchasing offices in providing a more uniform presentation of data. Ms. Mayden confirmed UNLV does have a supplier registration system and referred the Committee to page 9 (Ref. BFF-8), where it shows how UNLV is able to glean out the bidding opportunity information. Workday will improve this aspect.

Regent Crear commented when the supply chain initiative was started, there was a great deal of discussion regarding minority vendors, women/disabled/veteran-owned businesses, small local businesses and so forth. He observed that it seemed like the "MWVDBE and Local Spend" (page 92, Ref. BFF-8) are combined into one, when the minority/women-owned businesses and local businesses are separate entities.

Ms. Mayden said a few years ago they met with Regent Crear in regard to seeing what items should be included in the report. Currently, some of that information has not yet been included on a granular level. They are able to decipher between the different businesses; however, according to the NSHE policy, the Tier I report is more driven toward reporting data on minorities and women, and the Tier II specifically asks for diversity spend and local spend.

Regent Crear said "diversity spend" and "local spend" should be separated into different categories and believes it is a necessary adjustment for the report. Ms. Mayden clarified that UNLV's Tier 2 Report details which businesses are women, minority and locally owned.

To Regent Crear and Ms. Mayden's agreement, Chair Page recommended they meet to discuss what should be included and UNLV can create a new report to be presented at a future meeting of the Committee.

8. <u>Information Only – NSC Public-Private Student Housing *(Agenda Item #4)*</u> – Nevada State College President Bart J. Patterson presented the status of the Public-Private Student Housing project at NSC *(Ref. BFF-4 on file in the Board Office).*

Mr. Kevin Butler, Vice President for Finance and Business Operations, NSC, updated the Committee on the progress of the student housing P3 project with Ledcor Construction and Tony Traub. The housing project will not only benefit NSC, but also CSN Henderson campus, as well.

Mr. Cam Walker, Director of Business Development, Ledcor Construction, provided further information on NSC's student housing project and noted the

8. Information Only – NSC Public-Private Student Housing *(Agenda Item #4)* – *(continued)*

project included different aspects of a public-private partnership. When Ledcor submitted a proposal, they also addressed any potential partners interested in student housing that have approached NSC in the past. They did reach out to eight different potential partners and received three proposals. They are currently working with one of the proposers for a letter of intent. The implementation agreements will be based on the documents used in the Balfour Beatty student housing project at UNR. The goal is to come back to the Committee at the June meeting with the first lease agreement for property and the hope is to move forward with the student housing construction by the 2018 school year. The first step is to do an analysis of demand, which will include working with CSN. Ledcor is also looking into grading from the private sector that will come at no cost to NSC, along with pursuing private interests that are looking to partner with the college in a learning environment – specifically with the school of nursing and the drone facility.

9. Information Only – New Business – None.

10. Information Only – Public Comment – None.

The meeting adjourned at 10:33 a.m.

Prepared by: Winter M.N. Lipson
Special Assistant and Coordinator to the Board of Regents

Submitted for approval by: Dean J. Gould
Chief of Staff and Special Counsel to the Board of Regents