

UCCSN Board of Regents' Meeting Minutes June 28-29, 1990

06-28-1990

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BOARD OF REGENTS

UNIVERSITY OF NEVADA SYSTEM

June 28-29, 1990

The Board of Regents met on the above dates in Rooms 201-202,
Donald Moyer Student Union, University of Nevada, Las Vegas.

Members present: Mrs. Dorothy S. Gallagher, Chairman

Mrs. Shelley Berkley

Dr. Jill Derby

Dr. James Eardley

Mr. Joseph M. Foley

Dr. Lonnie Hammargren

Mr. Daniel J. Klaich

Mrs. Carolyn M. Sparks

Mrs. June F. Whitley

Others present: Chancellor Mark H Dawson

President Anthony Calabro, WNCC

President Joseph Crowley, UNR

President John Gwaltney, TMCC

President Robert Maxson, UNLV

President Paul Meacham, CCCC

President Ronald Remington, NNCC

President James Taranik, DRI

Mr. Donald Klasic, General Counsel

Dr. Warren Fox, Vice Chancellor

Mr. Ron Sparks, Vice Chancellor

Ms. Mary Lou Moser, Secretary

Also present were Faculty Senate Chairmen Alan Balboni (CCCC), Richard Brown (UNR), Isabelle Emerson (UNLV), Paula Funkhouser (TMCC), Louis Grandieri (Unit), Michael Mc Farlane (NNCC), Steve Mizell (DRI), and Acting Chairman Bonnie York (WNCC), and Student Association Officers.

Chairman Dorothy Gallagher called the meeting to order at 9:35

A.M., Thursday, June 28, 1990.

1. Approved the Consent Agenda

Approved the Consent Agenda (identified as Ref. A, filed with the permanent minutes) containing the following:

(1) Approved the minutes of the regular meeting held

May 17-18, 1990 with the following amendment as noted

by Mr. Klaich:

On page 67, Item 7, Report and Recommendations of the Investment Committee, second paragraph, second sentence, it should read, "Mr. Klaich replied that the Investment Committee had a meeting on the matter."

(2) Approved the gifts, grants and contracts, listed in

Ref. C-1, filed with the permanent minutes.

(3) Approved the following appointments to the University

of Nevada School of Medicine Advisory Board:

David Clark, Reno

H. Gregory Nasky, Las Vegas

Ernest Martinelli, Reno

Wayne Williams, Las Vegas

Ralph Denton is now a Honorary Member.

James Johnson is now the Chairman.

Sig Rogich has resigned.

(4) Approved to grant permission to Sierra Pacific Power

Company to widen existing power line right-of-way routes and to establish two (2) new right-of-way routes on Main Station Field Lab property, UNR.

Sierra Pacific's original offer for the new right-of-way was \$55,000, based on a September 30, 1989 appraisal. The University obtained its own MAI appraisal, which has set the easement value as \$69,000. The difference in values was due partially to a miscalculation on right-of-way footage dimensions. Sierra Pacific has agreed to pay the higher value and to reimburse the University for the \$1,600 appraisal fee.

General Counsel Klasic recommended approval subject to review of legal documents.

(5) Approved the opening of a bank account in London, Eng-

land to pay for the English Poll Tax and for miscellaneous expenses as they arise.

UNR has rented a flat in London for UNR faculty in the London Studies Program. The account would have an initial deposit of approximately \$500 and would be operated on an imprest basis. It is also anticipated that the account would be used by the faculty for personal banking purposes. Unlike in the United States, it is extremely difficult to open a personal account in England. One must have local references to open such an account, which is very exasperating to the faculty.

General Counsel Klasic recommended approval upon assurances of accounting safeguards being put in place.

- (6) Pursuant to Section 3.4.8 of the University of Nevada System Code, which outlines policies pertaining to a tenured faculty member who elects to transfer employment to the Chancellor's Office, approval of tenure for Dr. Warren H. Fox at the University of Nevada, Reno, will be extended for a period of five years, commencing at the next contract period, July 1, 1990.

- (7) Approved the following interlocal agreements:

A. UNS Board of Regents/UNR and State Department of
Human Resources

Effective: July 1, 1990 to June 30, 1991

Amount : \$158,040 to UNR

Purpose : UNR to provide psychiatric coverage
to Rural Clinics Offices.

B. UNS Board of Regents/UNR and State Department of
Wildlife

Effective: July 1, 1990 to June 30, 1991

Amount : \$11,650 to UNR

Purpose : Providing library clerical work in
support of the habitat/engineering
and fisheries divisions.

C. UNS Board of Regents/UNR and State Housing Division

Effective: Upon signature until completion of
services.

Amount : \$28,620 to UNR

Purpose : To perform an analysis of housing
markets in rural Nevada.

D. UNS Board of Regents/UNR on behalf of School of

Medicine and State Health Division

Effective: July 1, 1990 to June 30, 1991

Amount : Costs to be reimbursed to School of

Medicine.

Purpose : To provide screening, examination and

services for the Craniofacial Clinic.

E. UNS Board of Regents/UNR and State Division of

Mental Hygiene and Mental Retardation

Effective: July 1, 1990 to June 30, 1991

Amount : \$10,000 to UNR

Purpose : To provide one UNR Psychology Doctoral

Candidate Intern to the Division.

F. UNS Board of Regents/UNR and State Department of

Education

Effective: June 18, 1990 to June 30, 1990

Amount : \$6,240 to UNR

Purpose : To provide seminars to the Department

of Education.

G. UNS Board of Regents/UNR and Division of Mental

Hygiene and Mental Retardation

Effective: July 1, 1990 to June 30, 1991

Amount : \$11,000 to UNR

Purpose : To provide one Doctoral Candidate In-
tern to the Division.

H. UNS Board of Regents/UNR and the State Department

of Commerce

Effective: July 1, 1990 to June 30, 1991

Amount : \$25,629 to UNR

Purpose : To provide seminars to the Department
of Commerce.

I. UNS Board of Regents/UNR and the State Department

of Commerce

Effective: July 1, 1990 to June 30, 1991

Amount : \$18,482 to UNR

Purpose : To provide seminars to the Department

of Commerce.

J. UNS Board of Regents/UNR and the State Department
of Wildlife

Effective: July 1, 1990 to June 30, 1991

Amount : \$15,000 to UNR

Purpose : To provide a Scientific Assistant to
the Department.

K. UNS Board of Regents/UNR and the State Department
of Wildlife

Effective: July 1, 1990 to June 30, 1991

Amount : \$20,000 to UNR

Purpose : To provide clerical support to the
Department.

L. UNS Board of Regents/UNR and the State Department
of Wildlife

Effective: July 1, 1990 to June 30, 1991

Amount : \$9,590.40 to UNR

Purpose : To provide a Science Assistant to the

Department.

M. UNS Board of Regents/UNR and the State Department
of Wildlife

Effective: July 1, 1990 to June 30, 1991

Amount : \$15,500 to UNR

Purpose : Investigation and research into

"Special Problems in Wildlife Manage-
ment".

N. UNS Board of Regents/UNR and the Division of
Environmental Protection

Effective: May 30, 1990 to November 30, 1990

Amount : \$39,078 to UNR

Purpose : Study and investigation for a water

pollution control program.

O. UNS Board of Regents/UNR and the Department of
Education

Effective: August 6, 1990 to June 30, 1991

Amount : \$3,120 to UNR

Purpose : Special Education Seminar.

P. UNS Board of Regents/UNLV and State Department of

Wildlife

Effective: July 1, 1990 to June 30, 1991

Amount : \$18,000 to UNLV

Purpose : To undertake cooperative investigations concerning Wildlife Management.

Q. UNS Board of Regents/UNLV and State Department of

Commerce

Effective: July 1, 1990 until mutual termination

Amount : \$10,345 to UNLV

Purpose : To provide real estate seminars.

R. UNS Board of Regents/UNLV and State Council on the

Arts

Effective: Upon signature of the contract until its completion.

Amount : \$6,500 to UNLV

Purpose : UNLV to provide a study on the economic

impact of the arts in Nevada.

S. UNS Board of Regents/UNLV and State Department of

Education

Effective: July 16, 1990 to July 28, 1990

Amount : \$5,200 to UNLV

Purpose : To provide a seminar for the Department.

T. UNS Board of Regents/UNLV and the Clark County

School District

Effective: July 1, 1990 to indefinite with 90-day

notice of termination by either party.

Amount : No exchange of money. UNLV provides

space and student trainees and School

District supplies the program.

Purpose : To establish a preschool special education program.

U. UNS Board of Regents/UNLV and the State Department

of Wildlife

Effective: July 1, 1990 to June 30, 1991

Amount : \$3,600 to UNLV

Purpose : A renewal to the Endemic Fish Study.

V. UNS Board of Regents/CCCC and the State Occupational Information Coordinating Committee

Effective: July 1, 1990 to June 30, 1991

Amount : \$1,995 to SOICC

Purpose : The SOICC to provide job information to CCCC.

W. UNS Board of Regents/CCCC and the State Job Training Office

Effective: July 1, 1990 to June 30, 1991

Amount : \$117,000 to CCCC

Purpose : To provide counseling services to displaced homemakers.

X. UNS Board of Regents/NNCC and the State Occupational Information Coordinating Committee

Effective: July 1, 1990 to June 30, 1991

Amount : \$600 to SOICC

Purpose : The SOICC to provide job information
to NNCC.

Y. UNS Board of Regents/TMCC and the State Department
of Human Resources

Effective: July 1, 1990 to June 30, 1991

Amount : Costs to be reimbursed to TMCC.

Purpose : To provide dental screening examina-
tions and preventive services to eli-
gible children.

Z. UNS Board of Regents/TMCC and the State Occupa-
tional Information Coordinating Committee

Effective: July 1, 1990 to June 30, 1991

Amount : \$1,500 to SOICC

Purpose : The SOICC to provide job information
to TMCC.

Za. UNS Board of Regents/WNCC and the State Occupa-
tional Information Coordinating Committee

Effective: July 1, 1990 to June 30, 1991

Amount : \$1,800 to SOICC

Purpose : To provide SOICC job information to
WNCC.

Dr. Eardley moved adoption of the Consent Agenda with the amendment as stated in Item (1) above, and approval of the prepared agenda with the authority to change the order of items as specified throughout the meeting. Mr. Klaich seconded. Motion carried.

2. Chairman's Report

Chairman Gallagher announced that the Board of Regents' Fall Workshop will be held at Mt. Charleston on October 18-19, 1990.

Dr. Derby entered the meeting.

Chairman Gallagher announced that UNS will be taking a leadership role in science and technology in Nevada by sponsoring a symposium on August 23-24, 1990 at the Thomas and Mack Center at UNLV. President Taranik stated that the symposium will be entitled "Science and Technology for

Nevada's Economic Future" and will include several participants from around the State. The symposium will focus on such topics as what is important to Nevada, strategic planning for Nevada, what other States are doing by way of science and technology, and other topics. A report on the symposium will be produced after the symposium for dissemination to the System and symposium participants.

Dr. Hammargren entered the meeting.

Chairman Gallagher announced that the Investment Committee meeting will be held at 1:00 P.M., Friday, June 29, 1990, due to a conflict.

3. Chancellor's Report

Chancellor Dawson reported that the graduation rates for 1989-90 were as follows:

Associate degrees/certificates	1,047
Baccalaureate degrees	2,004
Graduate degrees (master's, doctoral)	539
Total	3,590

In addition, he stated that WNCC graduated 27 students from the prison program. Of the 17 associate degrees awarded, one person from Northern Nevada Correctional Center and one person from the women's prison graduated Summa Cum Laude. He stated that "it is never too late to make important life changes." Dr. Derby stated that she attended the prison graduation ceremony and was very impressed. She commended President Calabro and his staff. President Calabro informed the Board that Mr. Mike Hill and his staff have been working very hard with the program to make it successful.

Chancellor Dawson stated that he has met with the student leaders to discuss tuition and fees, and commended each of them for their preparation and research on the subject. Recommendations will be forthcoming at the August Board meeting. Mr. Klaich commended the students, Chancellor Dawson and the Chancellor's staff for working together on this issue.

Chancellor Dawson stated that he has formed a UNS committee to study housing for faculty by subsidizing loans through the State.

Vice Chancellor Warren Fox informed the Board that there

were 60 students who attended the Southern Nevada Young Scientists' Camp in June at UNLV.

4. Approved Tenure, Dean of College of Human and Community Sciences, UNR

Approved tenure for Dr. Jean L. Perry who will become Dean of the College of Human and Community Sciences at UNR, effective July 16, 1990. Tenure would be for Dr. Perry as Professor of Physical Education.

Dr. Eardley moved approval of tenure for Dr. Jean L. Perry, Dean of the College of Human and Community Sciences at UNR. Mrs. Sparks seconded. Motion carried.

5. Approved Emergency Item to Approve Tenure Recommendation, UNR

Chancellor Dawson requested the Board to consider an emergency item for UNR to grant tenure effective for the 1990-91 year. This request for tenure was subject to a grievance process under provisions of the UNR Bylaws. That process has just been concluded. It is necessary that, if the Board approves, the tenure is to be incorporated into

the contract for 1990-91.

Mr. Klaich moved approval to consider an emergency item for UNR to grant tenure effective for the 1990-91 year. Mrs. Whitley seconded. Motion carried.

6. Approved Recommendation for Award of Tenure, UNR

Approved the following recommendation for tenure forwarded for Board consideration:

A. University of Nevada, Reno

President Crowley recommended the following award of tenure, effective July 1, 1990:

Sitadri Bagchi, Assistant Professor of Mathematics, Arts & Science.

Mrs. Whitley moved approval of the recommendation for tenure at UNR. Dr. Eardley seconded. Motion carried.

President Crowley stated for the record that if the information had been available during the regular process of grant-

ing tenure, it would have been approved.

7. Approved Title Change, NNCC

Approved a change in title for Carl Diekhans from Associate Dean of College Services to Dean of College Services at NNCC, effective July 1, 1990.

Dr. Eardley moved approval of the title change from Associate Dean of College Services to Dean of College Services at NNCC. Mrs. Whitley seconded.

President Remington stated that there would be no additional salary increase at this time for Mr. Diekhans. He further commented that there is disparity among Dean titles at the Community Colleges, and Mr. Meacham added that it is a physical disparity. Dr. Eardley questioned why Deans at the two smaller Colleges are paid at a higher salary than the Deans at the two larger Colleges, and Dr. Calabro replied that the distribution of student population, the service area, and differing programs contribute to the added responsibilities of the Deans at the smaller Colleges. Dr. Remington replied that the Deans at the smaller Colleges report directly to the President, whereas at the larger

Colleges the Deans report to the Vice Presidents.

Motion carried.

Chairman Gallagher relinquished gavel to Regent James Eardley, Chairman of the Budget and Finance Committee, which sat as a committee of the whole.

8. Budget and Finance Committee

The Budget and Finance Committee, meeting as a committee of the whole under the Chairmanship of Regent Eardley, acted as follows:

(1) Approved the expenditures of Capital Improvement Fee

Funds in the amount of \$1,300,400 for the following projects at UNLV:

A. Landscaping and sitework for residential \$300,000

units, Greek housing, Architecture, and other Campus areas.

B. Emergency roofing projects for Mc Dermott 436,400

Physical Education, White Hall, Barrick

Museum, Dickinson Library, and Ham Fine

Arts. Other institutional funds totaling

\$292,000 have been allocated.

C. For the lease and installation of 24 modular units for classrooms and offices. 564,000

Chancellor Dawson explained that it would be appropriate for UNS to approach the Interim Finance Committee to seek reimbursement for the lease and installation of the 24 modular units for classrooms and offices in the amount of \$564,000.

Mrs. Berkley moved approval of the expenditure of Capital Improvement Fee Funds at UNLV in the amount of \$1,300,400 as noted above and granted authority for UNS to approach the Interim Finance Committee to seek reimbursement for the 24 modular units for classrooms and offices in the amount of \$564,000. Dr.

Eardley seconded. Motion carried.

President Maxson brought to the attention of the committee a problem with time frames regarding new construction requests. He stated that at the last Leg-

islative Session the Legislature granted \$8-10 million for residence halls and \$8-10 million for a Health Science building. Next month students will be moving into new Dormitories, which were obtained through the sale of bonds as authorized by the Legislature. UNLV has been able to move this construction project in a timely manner. The funds were appropriated in the same legislative session for the Health Science building, however, construction has not even begun. This will create a drastic hardship for classroom space on the Campus, therefore UNLV must request the temporary 24 modular units for classrooms and offices. President Maxson requested assistance from the Board of Regents in working out a method for expediting construction.

Mrs. Gallagher requested the Chancellor to review this process with the State Public Works Board.

(2) Approved the expenditure of UNR Capital Improvement Fee

Funds in the amount of \$140,000 to purchase two real estate parcels on Sierra Street. One parcel lies within the area designated to be acquired and developed first in UNR's recently approved Master Plan. The second parcel is adjacent to UNR's recently acquired

Child Care facility and would be used to expand the capabilities of that facility.

Mr. Klaich moved approval of the expenditure of Capital Improvement Fee Funds at UNR in the amount of \$140,000 as noted above. Dr. Derby seconded. Motion carried.

(3) Vice Chancellor Sparks presented the 1990 UNS Salary Survey Report, filed in the Regents' Office. The comparative analysis of 1989-90 faculty compensation at the principal land grant Universities was compiled from 51 principal land grant and other public Universities across the United States. This study has been conducted for the 1985-86 and 1987-88 academic years, therefore compensation trends in higher education in the U. S. over this period have also been examined. Techniques were used to adjust salaries and compensation for local, State and Federal taxes, housing costs, and general costs of living as were described in detail in the previous studies. Vice Chancellor Sparks reported on many trends and statistics, which can be found within the survey report.

Vice Chancellor Sparks requested the Committee to enter

various percent figures onto the appropriate bar graphs in the report. These figures would clarify the graphs for the Committee. Mr. Klaich stated that this report will be used by the Legislators and requested that an updated report to include the percentage figures be made available to the Legislators.

According to the study, UNR and UNLV fall below the median level with regard to salary ranking of the 51 Universities. UNR is -0.6% below the median and -13.4% below the top quartile; and UNLV is -1.7% below the median and -14.6% below the top quartile.

Vice Chancellor Sparks continued his report with the comparative analysis of 1989-90 faculty compensation at medium-enrollment urban Community Colleges. He stated that a number of the Community Colleges used in the previous sample did not respond to the annual American Association of University Professors' survey making it impossible to track the same set of Community Colleges between surveys. TMCC and CCCC fall below the median level with regard to salary ranking of 47 Colleges. TMCC is ranked 29th being -4.6% below the median and -17.0% below the top quartile; and CCCC

is ranked 32nd being -10.6% below the median and -23.7% below the top quartile. He stated that WNCC and NNCC are not urban Colleges, therefore were not included in this survey, but had they been, WNCC would be ranked 31st and NNCC 41st.

(4) Chancellor Dawson introduced Dr. Jim Richardson, Chairman of the System Compensation Committee, who presented the joint committee recommendations for professional compensation benefits for 1991-93, as contained in Ref. B-4, filed in the Regents' Office.

A. In the past, UNS has requested upward mobility in regard to compensation, but this has not been accepted by the Nevada State Legislature. The Committee is now requesting a 5% per year cost-of-living and a 3% merit in the base budget, along with 100% employer-paid retirement for all professional employees. The Committee recommended that, in lieu of a pay increase, the employer would pick up the employee's share of retirement (10%) over the biennium, which would be 5% per year. Dr. Richardson requested the Board of Regents to reaffirm the salary goal of moving professional employ-

ees salaries into the upper quartile of the approved group of comparable institutions as soon as possible. He further requested that if funds become available from a new revenue source, this salary goal should be achieved as soon as possible.

Dr. Derby questioned what the figures would be if these goals were achieved, and Dr. Richardson stated that it would cost approximately \$16.8 million for the 100% employer-paid retirement for all professional employees, and \$17.3 million for the 5% per year cost-of-living plus the 3% merit increase, which is included in the base budget at this time.

Dr. Eardley noted that other State agencies have requested to be placed on employer-paid retirement, but were not granted any incremental raises. Dr. Richardson stated that if the employer-paid retirement recommendation was not achieved, that the UNS Compensation Committee would request an increase in salary.

Mr. Foley moved that the Board of Regents reaffirm the salary goal of moving professional employees

salaries into the upper quartile of the approved group of comparable institutions as soon as possible, and that, if funds become available from the new revenue source, this goal be achieved as soon as possible. Mrs. Berkley seconded.

Mr. Klaich stated, for the record, that he is in support of the above motion, but emphasized that he would not want the Board to attach priorities at this time. UNS priorities have already been set by the Board of Regents. In addition, he would not attach a priority to any of the UNS System Compensation Committee recommendations.

Mrs. Gallagher agreed with Mr. Klaich and recommended that the UNS System Compensation Committee report be accepted only.

Motion carried.

Mr. Foley moved approval of improving the compensation package for professional employees, and that the Board of Regents support the proposal to fully fund the retirement contribution of professional employees. This contribution is currently

10% paid by the employee and 10% paid by UNS.

Moving to full employer paid retirement would result in an additional 10 being paid by UNS, at the rate of 5% per year over the next biennium. Dr.

Hammargren seconded. Motion carried.

Both Mr. Klaich and Mrs. Gallagher stated the same comments as made above in regard to the UNS priorities.

B. The UNS System Compensation Committee recommended the development of a \$500-per-faculty fund to be used for professional travel and development.

Mrs. Whitley moved approval of a \$500-per-faculty fund to be used for professional travel and development. Mr. Klaich seconded.

Mr. Klaich stated the same comments as made above in regard to the UNS priorities.

Vice Chancellor Sparks indicated that the Council of Presidents have endorsed the salary recommendations, but did not forward a recommendation regard-

ing the faculty travel and development fund. He pointed out to the Committee that they may want to lower the amount of the fund.

Dr. Derby reminded the Committee that this issue was discussed by the Community College Faculty Relations ad hoc Committee and the recommendation was accepted by the Board of Regents. President Maxson stated that the Board of Regents have always asked the Presidents for their priority requests. He stated that the Presidents do support this request for a faculty travel and development fund, but suggested that the Presidents have the opportunity to place it respectively on the priority list.

Motion carried.

C. The UNS Compensation Committee recommended that the System offer optional retirement plans for professional employees that will allow for transfer of funds currently in the TIAA-CREF Retirement Plan. The Committee requested that the Board of Regents allot \$30,000 from the Regents' Special Project

Funds to hire a consultant to assist in the development of an RFP and in evaluation of responses.

D. The UNS Compensation Committee recommended that Benefits Counselors be employed in both the north and the south.

Mr. Klaich moved approval of the above recommendations C and D. Dr. Derby seconded. Motion carried.

President Meacham stated that he completed supported the recommendations presented by the UNS Compensation Committee, but questioned the differences between the Institutions in regard to the salaries.

He suggested that a workshop be held to discuss this issue and Mr. Klaich requested the Chancellor to study this further prior to the Special Budget and Finance Committee meeting in July.

(5) Vice Chancellor Sparks outlined the 1991-93 Biennial Budget Priority Request for New Funding. The number one priority is the salary package and the employer-paid retirement request. He stated that the priorities

will be discussed in further detail at the special meeting in July.

Mr. Klaich stated that the Committee has not approved anything within the priorities. He requested that the Committee be presented the cost figures for the priorities at the special meeting in July so that additional questions can be answered and reviewed.

The open meeting recessed at 11:45 A.M. and reconvened at 12:40 P.M., with all Regents present except Regents Berkley, Eardley, Foley and Hammargren.

9. Approved Professional Salary Recommendations for 1990-91

Approved the professional salary recommendations for 1990-91. Chancellor Dawson distributed the UNS Officer Salary Recommendations, filed with the permanent minutes.

Mr. Klaich moved approval of the 1990-91 Officer Salary Recommendations. Mrs. Whitley seconded. Motion carried.

10. Approved Handbook Change, Family Sick Leave

Approved the change in the Handbook, Title 4, Chapter 3,
Section 11, Family Sick Leave, as follows:

- (4) Up to ten days of sick leave per contract year may be charged for the following events in the immediate family of a professional staff member; death; illness; child rearing; medical, optometric or dental service or examination. Requests for additional days beyond the ten day limitation may be made in writing to the appropriate appointing authority. Such requests for leave must be approved by the appropriate appointing authority.
- (6) A professional staff member is entitled to use accumulated sick leave for a temporary disability, which includes child-bearing, upon approval of appropriate appointing authority. Unpaid child-rearing leave may be requested by either parent up to a maximum of one year. The University guarantees that the professional staff member will return to his or her original position without loss of seniority or other benefits.

UNR Faculty Senate Chairman Richard Brown indicated that the family sick leave issue originated from the UNR Faculty

Senate and was submitted to the System Compensation Committee for its endorsement. This Handbook change recognizes the make up of the new modern family. UNR Faculty Senate strongly endorses this change.

Mrs. Whitley moved approval of the Handbook change regarding family sick leave. Mrs. Sparks seconded. Motion carried.

11. Report on Nursing Articulation

The UNS ad hoc Committee on Nursing Articulation, formed by the Chancellor to assist continued progress in Nursing articulation, has developed a proposal designed to assure quality, and facilitate the transfer of Nursing courses, as contained in Ref. B, filed in the Regents' Office. Vice Chancellor Fox distributed an update on the proposal, which is also filed in the Regents' Office.

Vice Chancellor Fox explained that the proposal calls for appropriate National League of Nursing (NLN) course-related comprehensive examinations to be given at the end of each of the following courses: Medical/Surgical Nursing, Obstetrics, Pediatrics, Psychiatric/Mental Health Nursing, and

Fundamentals of Nursing. All instructional Institutions within UNS shall administer the NLN course-related comprehensive examinations at the appropriate lower-division or upper-division level. These NLN tests will be used to affirm the quality of Nursing instructional programs and the level of competency and proficiency of Student Nurses. This measure of performance will be considered as part of an overall program by each Campus to improve student assessment and student outcome initiatives. These examinations will also allow the student, upon successful completion, to transfer the course to UNLV and/or UNR.

Dr. Derby questioned how many credits could be transferred. Vice Chancellor Fox indicated that there is a maximum of 64 credits that can be transferred into a four-year Nursing program. Additional units at UNR may be accepted through credit by examination.

Mrs. Sparks stated that she understood that UNLV would accept students from the Community College as third year students (2 + 2 program), which combines academic and Nursing programs. She questioned whether UNR's Nursing program accepted students in the same manner. Chairman Gallagher stated that UNR's Orvis School of Nursing was

structured differently, in that all prerequisites are completed prior to being accepted into the School of Nursing. This is due to UNR's accreditation standards. For the Nursing program at UNR, students could be transferred in as "Seniors", but might have other requirements to complete in the general education courses which are requirements of the University. Mrs. Sparks questioned how the gap of courses between the Senior year and Junior year would be completed. Chairman Gallagher stated that these courses would have to be taken at the Community College prior to transfer, or taken at the University.

President Gwaltney stated that he commended the achievements that the ad hoc Committee on Nursing Articulation has accomplished, but is hopeful that the NLN testing requirement will be abandoned eventually. President Meacham felt that the term "Seniors" was confusing.

Mrs. Berkley, Dr. Eardley and Dr. Hammargren entered the meeting.

President Crowley stated that acceptance to the UNR Nursing program depended on the successful passage of the NLN tests, and that all Institutions would give the NLN tests as a quality control instrument which will enhance what is al-

ready in place.

The Community College Presidents posed several questions which could not be properly answered. Mr. Klaich requested that the discussion be deferred until UNR's Orvis School of Nursing's Dean Sidney Krampitz was available for questioning.

Dean Sidney Krampitz, Orvis School of Nursing, explained the proposal on Nursing articulation. She stated that it was possible for a two-year Nursing Student to transfer from a Community College to the Nursing program at UNR and be placed as a Senior in the program, although the University does have a core curriculum which must be met prior to graduation from UNR. She suggested that the Community Colleges have lower division prerequisite courses offered so that a student can be advised to take the appropriate courses which not only would count towards their Associate Degree, but also would be appropriate for the Nursing courses at UNR as well as UNLV.

Dr. Derby questioned whether most of the transferred courses

would be Nursing courses when the student enters at the Senior level, and Dr. Krampitz replied that that was correct, provided that the prerequisite courses needed to enter the Nursing program are taken prior to the entrance. The transferring student would be taking the prerequisite prior to the Senior level just as the UNR students who take them prior to admittance into the program. Dr. Derby stated that one of the Board's concerns was that 64 credits can transfer into the program, but, she questioned, how much more does the Nursing program require before the transfer student can receive a baccalaureate degree from UNR? Dr. Krampitz replied that the School of Nursing has 61 hours of upper division credit, along with the Nursing challenge exams which are taken at the end of each course and could accumulate a total of 28 hours, leaving a difference between 28 credit hours and 61 hours of upper division.

Dr. Derby questioned that once the Community College student transfers into the UNR School of Nursing as a Senior, not as a Junior, how many more units must be completed before she can get the baccalaureate degree? Dr. Krampitz replied that she would need the difference between the 28 credit hours and the 61 credit hours, which is 33 credit hours. The 28 credit hours which are received by taking the NLN exams are

for validating purposes of the lower division courses to meet the upper division 64 hour requirement. The students will most likely graduate with 140 hours, but they will not be admitted to the Nursing program until they meet the same prerequisites as the baccalaureate graduates, i. e., mathematics, sciences and liberal arts.

Mrs. Sparks questioned whether UNR accepts all Nursing credits, and commented that there is not an automatic articulation flow from all the Nursing courses at the Community Colleges. Dr. Krampitz explained that 28 credit hours would be accepted by successful completion of the NLN challenge exams. UNR will accept the difference of those credits once the student finishes all the prerequisites to Nursing. Dr. Krampitz felt that there would probably not be any repetition of credits. The student will be getting 28 credit and she will have to take another 20-24 hours of liberal arts, science, mathematics, which will leave the student with about 4 hours of miscellaneous.

President Gwaltney understood the situation in which the students could take the science and math and other courses, however, the cap would not be removed on transfers of the 64 hours, so when they have concluded their Associate Degree,

technically the student could then have at least 80 hours left to graduate, which is an additional 40 hours. Dr. Krampitz stated that a student may possibly have 140 hours, but she could take in her Associate Degree programs other courses instead of Math 101 or 105, or could take a course that will meet the needs of both Community College and University programs, which will decrease the number of hours the student will need. She strongly suggested that there needs to be a good advisement to the students and that there is a need to work together so that students will have the opportunity to take such courses that meet both criteria at the Community Colleges and the Universities.

In reference to the NLN challenge exams, Dr. Gwaltney questioned whether students from both the Community Colleges and the Universities would take the same exam with the same scoring process. Dr. Krampitz stated that this is something that should be worked out between all the Campuses and that a State policy be developed. NLN does not have a set score, so it is the System's decision on how to set the scoring criteria. She suggested that the Institutions give the tests a couple of times and then have the Nursing Directors compile the test results and draw a conclusion as to what should be instituted throughout the System.

Dr. Krampitz stated that there are several different ways to articulate Nursing courses as guided by NLN accreditation: 1) basic testing, such as teacher-made tests; 2) standardized tests, which are prepared for the course and the NLN program exams; or 3) for the System to work together and put all courses in the same conceptual framework, same number of credit hours, same number clinical hours, etc. There will be some limitations, of course, because of the resources which vary across the State. She stated that she was not sure the System wanted a standard curriculum, which is what we are talking about, but it could be done.

Dr. Hammargren questioned why a standard curriculum is wrong, and Dr. Krampitz stated that a standard curriculum would be fine, but that there has been developed very different conceptual frameworks for several programs. It is not impossible to have a standard curriculum, however, it would take about 3-4 years to establish by looking at time, energy, resources, basic science requirements, and core requirements.

President Meacham stated that CCCC's Nursing curriculum is compatible to UNLV's Nursing program. At this time, there

are not a number of articulation problems between the two programs, and he is hopeful that a new solution will not cause more problems.

Dr. Krampitz stated that the Nursing faculty will need to develop their own testing methods for the courses they teach. The NLN testing is a more general test and tests to see if the student is within the usual kind of experiences and performance across the country. There is a \$5 fee on each NLN exam. By utilizing the NLN exams, the System is creating a situation to validate why the Universities are transferring Community College students to an upper division level and giving the students the credit by exam.

Mrs. Sparks stated that she did not feel comfortable in applying the NLN test until it was discussed and agreed upon systemwide. It would simply be creating a means of selecting Nursing students. There needs to be some symmetry to what is happening between the Community Colleges and the Universities. Mrs. Sparks stated that she does not want to use the test results as a sole means of completing the Nursing program. She would like some uniformity before voting on this proposal and requested that this issue be

postponed until then. There needs to be understanding of the results of the tests whether given in groups or individually and the difference between the Community College and the Universities.

Dr. Krampitz explained that the only way to get the information that is being requested is by administering the NLN test throughout the System. By doing this the scores can be established systemwide.

It was clarified that UNR and UNLV have very different Nursing programs. UNLV still has a 2 + 2 program, whereas UNR has never had that type of program. It will take much effort to change UNR's program to a 2 + 2 program.

Chairman Gallagher asked if it would be acceptable to the Regents to pass this proposal with the understanding that there would be a standardized test score for the entire System. Dr. Derby stated that the test scores are not the only issue that requires additional information.

President Maxson stated that UNLV personnel were not participants in the developing discussions. Nursing articulation has always been a problem, more so in northern Nevada. He

stated that Dr. Krampitz has performed her job exactly as the Board has requested her to do in developing a workable solution that facilitates the articulation, yet maintains the integrity of the program that she is obligated to maintain. President Maxson does not want UNLV's program to change, because it is working. The UNLV students are passing above the national average (95-100% pass the national test). He suggested that we not have uniformity in the Nursing program around the State.

Chairman Gallagher stated that the situation we had before was that people within the System could not easily transfer. There is a better way of doing this within the System which is what we have been trying for years to get, but all programs don't necessarily have to be exactly alike. But the opportunity for students should be available within the System. She feels very strongly that a standardized test is going to help us judge and measure quality of the students and it is also good preparation for the State Board exams.

Mrs. Vernice Mathews, TMCC Director of Health Sciences, stated that she would like further discussion with Dr. Krampitz regarding this proposal and the NLN testing process.

Chairman Gallagher requested Vice Chancellor Fox to meet with the Nurses to discuss the proposal and report back to the Board at the next meeting.

President Crowley suggested that the Academic Vice President be involved in these discussions with the Nurses and Vice Chancellor Fox.

Chairman Gallagher requested that Vice Chancellor Fox meet with both the Nursing representatives and the academic officers and report to the Board.

The open meeting recessed at 1:20 P.M. for Foundation meetings to be held, and reconvened at 2:00 P.M. with all Regents present except Regent Foley.

12. Approved UNS Capital Improvement Projects

Approved the following Capital Improvement Projects which were presented to the Board by several representatives.

A. Northern Nevada Community College

President Remington introduced Mr. J. D. Long, Architect, who presented the architectural plans for the proposed College Community Center. The building would consist of approximately 12,000 square feet, and the project construction costs would be \$1,200,000. He indicated that the bid process would begin on August 1, 1990, with breaking ground scheduled for September 24, and the completion date scheduled for May 1, 1991.

Dr. Eardley moved approval of the architectural plans for the NNCC College Community Center. Dr. Derby seconded. Motion carried.

B. Clark County Community College

President Meacham introduced Mr. Orlando Sandoval, Director of Physical Plant, who then introduced Mr. Craig Galati and Ms. Denise Cook of Luccesi and Associates. Mr. Galati presented the architectural plans for the Health Education Center, Phase II project. The building will consist of 54,800 square feet.

Dr. Hammargren questioned why there were two different exterior materials used on the building and Mr. Galati

replied that by using the two different materials it would provide additional classroom space while keeping the project in line with the budget. Dr. Hammargren requested that the building exterior be either all masonry block or all stucco.

Mrs. Whitley moved approval of the architectural plans for the CCCC Health Education Center, Phase II project.

Mrs. Berkley seconded.

Dr. Hammargren stated that according to the estimations in using the two different materials given by Mr. Galati, it would cost approximately \$120,000 more to change to one exterior material. President Meacham stated that if CCCC were to go with one material, the building would lose valuable classroom space. Mr. Sandoval stated that if this change were made at this point in time, it would cause major design changes on the inside and outside of the building and would delay the project.

Motion carried. Dr. Hammargren opposed.

President Crowley introduced Mr. Jeff Lundahl, Architect, who presented the architectural plans for the School of Journalism building at UNR. Mr. Lundahl stated that the building would consist of 37,000 square feet at a cost of \$4,260,000. The bid opening is scheduled for January, 1991 and construction will begin in March, 1991.

Dr. Eardley moved approval of the architectural plans for the UNR School of Journalism. Dr. Derby seconded. Motion carried.

D. University of Nevada, Reno

President Crowley introduced Mr. Ron Mentgen, Architect, who presented the architectural plans for the Engineering Lab Facility at UNR. Mr. Mentgen stated that the UNR Motor Pool facility will be moved to the northern end of the UNR Campus, and the new Engineering Lab facility will be built at the current Motor Pool site.

The building will include a bridge structures lab. The cost of the building is \$8 million. The bid opening is scheduled for August 2, 1990, with completion date

scheduled for January, 1992.

Dean Jon Epps, College of Engineering, stated that the College has raised approximately \$1.8 million to date, which will be applied to half of the equipment costs.

Dr. Hammargren moved approval of the architectural plans for the UNR Engineering Lab Facility. Mr. Klaich seconded. Motion carried.

13. Approved Emergency Item to Approve Loan, NNCC

Chancellor Dawson requested the Board to consider an emergency item for NNCC to obtain a loan in order to have funds to cover construction costs for their College Community building. It is anticipated that the project will go to bid prior to the regularly scheduled meeting in August.

Mr. Klaich moved approval to consider an emergency item for NNCC to obtain a loan in order to have funds to cover construction costs for their College Community building in order to keep the project on schedule. Dr. Eardley seconded. Motion carried.

14. Approved Loan for College Community Building, NNCC

Approved the authorization to secure a loan in the amount of \$477,000 for a period of five years which will provide funds to cover pledges on the NNCC College Community building. Further, approved authorization to pledge Capital Improvement Fee Funds for security of the loan.

Mr. Klaich moved approval to secure a loan in the amount of \$477,000 for a period of five years which will provide funds to cover pledges on the NNCC College Community building, and authorized to pledge Capital Improvement Fee Funds for security for the loan. Dr. Eardley seconded. Motion carried.

Dr. Eardley left the meeting.

15. Approved School of Medicine Medicaid Program

President Crowley introduced Dr. Owen C. Peck, Executive Director of Medicaid at the University of Nevada School of Medicine, who provided a report on the expansion of the Medicaid Program.

Chairman Gallagher relinquished the gavel to Vice Chairman

Sparks.

At the request of the State Budget Office, the School of Medicine has agreed to expand its Medicaid Program to accept an additional 7,000 recipients in Las Vegas.

In order to accommodate this increased patient load, the Family Medicine Center in Las Vegas will recruit additional medical staff and will expand its hours to include evenings and weekends.

The State Budget Office has agreed to recommend funding of \$374,100 for 1990-91 which would provide funds for the additional physician and nursing staff required.

Medicaid Program in Las Vegas

1990-91 Budget

	Fte	Amount
Faculty	1.50	\$150,000
Nurse Practitioners	2.00	100,000
Fringe Benefits		39,180
Total Faculty		\$289,180

Nurse	1.00	\$ 30,000
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Fringe Benefits		8,820
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Total Staff		\$ 38,820
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Malpractice Insurance		\$ 46,100
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Total		\$374,100
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Mr. Klaich stated that he had a difficult time in accepting budget items outside of the established budget process.

President Crowley explained that during the closing days of the last legislative session there was no funding for this program, although the Legislature requested the School of Medicine to seek funding through the Interim Finance Committee for this program to accommodate an additional 7,000 recipients.

Dr. Peck explained that the School of Medicine accepted 3,500 recipients which saved the State of Nevada \$1 million during the last year. He stated that as long as the State wanted the School of Medicine to operate the Medicaid Program, funding will be included in the budget.

President Crowley stated that this program will continue to grow, and our willingness to enter into the agreement was for the educational experience it would lend to the School of Medicine.

Mrs. Whitley moved approval to seek funding from the Interim Finance Committee in the amount of \$374,000 for 1990-91 which would provide funds for the School of Medicine Medicaid program in Las Vegas. Mr. Klaich seconded. Motion carried.

Mrs. Sparks recommended that the School of Medicine seek other avenues in obtaining funding for this program, in that it took away funding from other Campus programs throughout UNS. President Crowley stated that UNR would prepare a briefing paper to be presented to the Board of Regents.

Chairman Gallagher returned and resumed the gavel.

16. Approved Wolf Unitrust, UNR

Approved the recommendation by President Crowley for the Wolf Unitrust, as provided by the terms of the donor, to

be used as scholarship money for minority students who attend UNR. Ms. Harriet Wolf died April 26, 1990, and approximately \$202,014.40 has been left for the benefit of the University of Nevada, Reno.

Mrs. Sparks moved approval to use the Wolf Unitrust for scholarship money for minority students who attend UNR.

Mrs. Whitley seconded. Motion carried.

The open meeting recessed at 4:05 P.M. and reconvened in a Regents' Workshop Session Friday, June 29, 1990, with all Regents present except Regents Hammargren and Whitley.

17. Regents' Workshop

The Board met in a Workshop Session in Fireside Room, Donald Moyer Student Union, University of Nevada, Las Vegas.

A. A report, "A Nevada Profile: Student Demand and Resources for Higher Education" was compiled by the Chancellor's Office which contains selected statistics that provide a profile of higher education in Nevada. The State's current demand for higher education and future growth of higher education are described, and Nevada's

funding of higher education is compared with other States. Because UNS is the fastest growing University System in the nation, UNS and the State of Nevada face special challenges to serve increasing numbers of students and to provide increasing financial support for higher education.

The report compares Nevada to other states in the union to display our relative rank and our degree of competitiveness with other Western states. The report highlighted the following:

Nevada post-secondary education, including UNS, led the nation in the rate of enrollment growth during the last decade.

Nevada ranks 7th nationally in the percent of population with at least 4 years of high school experience.

Nevada ranks 34th in the nation in the percent of population with 4 years of College experience.

If UNS enrollment increases at a rate of 5% per

year until the year 2000, over 100,000 students will be enrolled.

Nevada has the second-highest tax capacity in the nation, which indicates how much money the State could raise if all states applied identical tax rates to their respective economic bases.

Nevada ranks 50th in the nation in terms of tax effort, which refers to the amount of State and local tax revenue collected as a percentage of State and local tax capacity.

Mrs. Kim Harris, Research Analyst, explained several issues and tables that are contained in the report, which is filed in the Regents' Office. Discussion and clarification of the tables was held.

B. In working with Regent Foley, the UNS ad hoc Committee on Student Retention identified retention issues and suggested recommendations. Representing six UNS Campuses, the Committee was charged with examining student retention and Campus graduation rates. The Committee has defined comparable measures of retention/attrition

for UNS Universities, and for Community Colleges, and Campus retention plans and budgets for possible suggested future retention activities have been developed. A report, Student Retention and Attrition within the University of Nevada System, was distributed and is filed in the Regents' Office.

Dr. Robert Ackerman, UNLV Vice President for Student Services and member of the Committee, stated that collection of data is among the six Campuses. Some of the reasons for attrition nationwide include academic boredom, irrelevancy of the class subject, a need for clear definitions of the Campus, academic unpreparedness, transition difficulties, and institutional incompatibilities. Dr. Ackerman stated that the New Student Orientation Programs are a great service to new students. The program gives the new student a sense of support when arriving on the Campus.

President Maxson stated that the national drop out rate in higher education is 30%, and that UNR's rate is 37% and UNLV's rate is 38.5%. There is a decrease in drop out rates for full-time students, and he added that the economy also affects the drop out rate. He explained

that when the economy is down, there are more students attending College. President Maxson stated that there is a great need for additional counselors, support positions, residential life employees, and intramural directors.

Mr. Stan Aiazzi, NNCC Dean of Student Services and member of the Committee, stated the concerns at the Community College level. Many of the students are older students (55% are over 35 years of age), although the traditional students are being attracted to the Community Colleges. The Community Colleges maintain an "open door" policy. He stated that all the Community Colleges have orientation skills assessments for English and Mathematics, mentor programs, and they also offer advising and counseling, including career counseling. He pointed out that these programs need additional funding and support to be totally effective for the Community College population.

President Meacham commented that general faculty also counsel students and that faculty have many functions other than teaching. These added functions should be addressed.

CCCC Faculty Senate Chairman Alan Balboni stated that UNS should look at students' goals. There are several reasons why students attend Community Colleges. If this were addressed, then maybe the retention rate would increase.

Mr. Klaich requested the UNS ad hoc Committee on Student Retention to do a follow-up of whether UNS is reaching students and attracting them to higher education in Nevada.

Mr. Kenneth Koester, member of the Nevada State Board of Education, stated that they are concerned about students going on to higher education in Nevada. He felt that there needs to be a focused and continued program in training faculty in the classroom to better aid students.

Mr. Foley questioned what happens after the student leaves College in regard to the programs in which UNS offers -- did the student learn from the courses and is the knowledge being utilized after College?

Dr. Patricia Miltenberger, UNR Vice President for Student Services, stated that UNS needs to work with public education on how UNS can be successful in attracting students. There needs to be a review of the admission standards and whether the orientation program, as well as others, should be voluntary or mandatory for new students.

Chairman Gallagher commended the ad hoc Committee on the report and appreciated the work that has been put forth. She requested that the Committee continue its efforts through the Academic Affairs Committee.

The open meeting reconvened at 10:20 A.M., Friday, June 29, 1990, with all Regents present except Regent Whitley.

18. Discussion on Definition of Part-Time Faculty, Community Colleges

Discussion was held regarding the part-time faculty for Community Colleges as found in Title 4, Chapter 3, with the proposed change as follows:

For teaching faculty, part-time be defined as 10

credits or less.

For non-teaching, part-time be defined as a combination of non-teaching plus teaching equaling less than 10. For this purpose two hours of non-teaching work equates to one credit hour.

Dr. Eardley moved approval of the proposed changes regarding the definition of part-time faculty for Community Colleges. Mrs. Sparks seconded.

Dr. Derby questioned the purpose in changing the definition and Chancellor Dawson explained that an employee who works over 50% must receive benefits according to the Federal government. This change would clarify the policy.

Mr. Foley left the meeting.

President Gwaltney explained that faculty donate additional time and commitment to the College, i. e., serving on committees. This time is not calculated into the hours. In addition, Dr. Eardley stated that faculty spend additional time preparing for class.

Mrs. Whitley return to the meeting.

Dr. Derby stated that a part-time person with three classes also spends a great deal of time preparing for class. She felt that this was putting quite a strain on the part-time faculty.

Mrs. Sparks left the meeting.

TMCC Faculty Senate Chairman Paula Funkhouser stated that the UNS Professional Compensation Committee has addressed this issue and they are aware that part-time faculty receive low payment. She explained that the part-time faculty do not perform half of the work load of a full-time faculty member. She stated that the proposed language is trying to equate a work load for both entities. The classes taught will not define the load because of the number of hours which vary with the different courses. UNS needs to become more equitable towards part-time faculty. She pointed out that in private industry it is the practice that when an employee works half-time, he is to receive benefits, and the question of concern is within the System, what is half-time? UNS cannot equate seven and one-half credit hours as half of a full-time work load and although ten credit hours

are really not half, the Campuses have agreed upon this number to define part-time for teaching faculty.

CCCC Faculty Senate Chairman Alan Balboni stated that CCCC is very much in favor of the proposed changes.

Chancellor Dawson stated that the faculty who teach Health are usually teaching four-hour courses, which limits a part-time faculty to one class. If the proposed changes are approved, then two classes could be taught.

Mr. Klaich felt that the issue has become a procedural problem and requested that the issue be tabled and addressed by the Academic Affairs Committee, which will report back to the Board on its findings.

Dr. Balboni stated that the issue should be addressed quickly in order for the Campus to begin hiring new faculty for the coming year.

Mrs. Sparks returned to the meeting.

President Gwaltney stated that he supported the proposed language.

Mr. Klaich moved to table the discussion on the definition of part-time faculty at the Community Colleges and to refer the matter to the Academic Affairs Council. Dr. Derby seconded. Motion carried. Mrs. Whitley and Dr. Hammargren opposed.

Mr. Klaich reiterated that the discussion is to be addressed by the Academic Affairs Committee, which will report back to the Board at the August meeting.

Mr. Foley returned to the meeting.

19. Approved Consultant Services, UNS

Approved to use up to \$30,000 from the Regents' Special Projects Fund to hire a consultant in the field of adding alternative pension providers to the existing UNS retirement program. The duties of the consultant would be twofold:

- 1) to assist staff in the development of a Request for Proposal (RFP), and 2) to review the bids resulting from the RFP.

The UNS Compensation Committee has recommended additional

alternative pension providers to the existing retirement program. These are highly specialized fields and it is felt UNS does not now have the expertise in-house to develop the necessary RFP and properly review the bids.

Allowing for transferability of retirement programs is a distinct advantage to the compensation package when recruiting new faculty.

Mr. Klaich moved approval to use up to \$30,000 from the Regents' Special Projects funds to hire a consultant in the field of adding alternative pension providers to the existing UNS retirement program. Dr. Eardley seconded.

Motion carried.

20. Approved Student Conduct Code, UNLV

Approved the UNLV Student Conduct Code, as contained in Ref. C, filed in the Regents' Office.

Dr. Eardley moved approval of the UNLV Student Conduct Code.

Mrs. Whitley seconded. Motion carried.

President Maxson stated that the Student Conduct Code does

conform with the CSUN Constitution as well as the Board of Regents Handbook.

Dr. Hammargren questioned why the Student Athletic Code of Conduct was not included in this document, and President Maxson explained that the UNLV Student Conduct Code pertains to all UNLV students and that the Student Athletic Code of Conduct is distributed to all UNLV athletes. Dr. Hammargren requested that the Student Athlete Code of Conduct be referenced in the Student Conduct Code.

The open meeting recessed at 10:55 A.M. in order for the Academic Affairs Committee and the Audit Committee to meet simultaneously.

The open meeting reconvened at 11:15 A.M., Friday, June 29, 1990, with all Regents present except Regents Berkley, Eardley, Foley and Sparks.

21. Report on the Space Grant University Application

Dr. Hammargren reported on the Space Grant University Application and the implications for the University of Nevada System. He stated that this program is for certification and enhancement of science technology for aerospace education with NASA support. The proposal must be submitted by

October 29, 1990. UNS would need to sponsor matching funds for this program.

Vice Chancellor Fox stated that it would cost \$75,000 per year to match the funding and that NASA would accept some in-kind contributions. UNS is exploring other funding sources as match for this proposal.

President Maxson stated that UNLV is interested in the Grant and felt that DRI and the Community Colleges should become involved in the proposal.

Chancellor Dawson suggested that the proposal be discussed by the Academic Affairs Council, and its recommendation forwarded to the Academic Affairs Committee, which will then report back to the Board prior to the proposal date of October 29, 1990.

Mrs. Whitley moved approval of the Space Grant University Application. Dr. Derby seconded. Motion carried.

Vice Chancellor Fox announced that Dr. Lonnie Hammargren was the recipient of the "Aerospace Education Award of the Year", for his contributions to future astronauts.

22. Approved Easement, UNLV and DRI

Approved a grant of easement which is contingent upon the partial vacation of the easement granted by the Board of Regents for flood control along Tropicana Wash. This partial vacation of the flood control easement has been previously identified by the consultants to the architects employed by the Public Works Board of the State of Nevada for design of the Southern Nevada Science Center for the Desert Research Institute. The granting of this easement is further conditioned on the posting of a bond satisfactory to the Board of Regents to ensure the construction of adequate capacity in the electrical system to serve the needs of the Regents and such construction of electrical system shall be underground.

Mr. Klaich moved approval of the easement for flood control along Tropicana Wash. Dr. Derby seconded. Motion carried.

23. Information Only: Community College Communication Flow Charts

At the request of the Board, the Community Colleges sub-

mitted their communication flow charts as recommended in the report of the ad hoc Committee on Community College Faculty Relations. The following reference material is filed in the Regents' Office:

CCCC, Ref. D-a

NNCC, Ref. D-b

TMCC, Ref. D-c

WNCC, Ref. D-d

President Meacham stated that there were no major changes in the committees at CCCC. He mentioned that the Screening Committee for New Hires has been strengthened for more interaction with the committee and the candidates. The Master Planning Committee has been restructured in order to provide interaction with all other committees. The Evaluation and Merit Committee has changed some of its mandates and will be operational for the upcoming Fall semester.

President Remington stated that there were informal structural changes in that there are now three Deans at NNCC. The Student Services area will now have the Learning Resource Center under its jurisdiction. He is hopeful that the Budget Committee will become very active and helpful

in the budget process. The Evaluation Committee is in the process of becoming a more formal procedure. The Administration Council will include students, Faculty Senate, Administrative Council, and Deans. He stated that NNCC Faculty Senate is feeling that the formal representation will be an enhancement to the process.

President Gwaltney stated that the Faculty Senate Chairman was added to the Budget Committee. The Administration Evaluation Committee is evolving and becoming a more definite committee.

President Calabro reviewed the actions which have been taken since the first flow chart was submitted to the Board on February 22, 1990, as found in the reference material. Upon questioning, President Calabro stated that information will be disseminated to the faculty by way of reports and the President plans to be more visible in the rural areas.

TMCC Faculty Senate Chairman Paula Funkhouser stated that the spirit of open communication from President Gwaltney has been very beneficial to the faculty, and she commended President Gwaltney and his staff.

CCCC Faculty Senate Chairman Alan Balboni stated that he was appreciative of the communication regarding recruitment at CCCC.

24. Information Only: Outstanding Faculty Recognition

At the request of the Board of Regents, each Faculty Senate Chairman or representative reported on the outstanding faculty achievements from their respective Institutions.

Clark County Community College - Faculty Senate Chairman Alan Balboni announced the following outstanding faculty:

Norma Suchy has been a major contributor to CCCC's growth and development during the past ten years as a faculty member and a teacher. Her election as Chairman of the Faculty Senate for the past academic year was a reflection of the high esteem in which she was, and is, held by her peers. She has served on a number of committees and spends far beyond the minimally required hours advising students. She has been an exemplary faculty member.

University of Nevada, Las Vegas - Faculty Senate Chairman

Isabelle Emerson announced the following outstanding

faculty:

Penny S. Amy, Biological Sciences Department, has received a three year grant from the Department of Energy to investigate deep subsurface microbiology of the 450 M deep tunnel system in Rainier Mesa at the Nevada Test Site. The grant was awarded to UNLV and DRI for the interdisciplinary study of the hydrogeology and microbiology of potentially ancient organisms. The study will provide basic ecological information that may help to determine how best to use bioremediation (clean-up by microorganisms) to eliminate toxic wastes below ground, and it has potential for the identification of microbes that produce important compounds for human health.

Virko Baley received two prestigious awards at the 1990 Cannes Film Festival for his first film project. The film, "Swan Lake, The Zone", received the Young Film Critics Award for Best Foreign Film and the International Critics Prize as the best film for all sections outside the official competition. Mr. Baley co-produced

and scored the film.

University of Nevada, Reno - Faculty Senate Chairman Richard

Brown announced the following outstanding faculty:

The following members of the UNR Faculty have written or contributed to the writing of new books which are being published by the University of Nevada Press during 1990:

Ann Ronald, Dean of the College of Arts and Science, has contributed a forward to a collection of short stories by Gerald W. Haslam, entitled "The Constant Coyote: California Stories", published in May, 1990.

James Hulse, Professor of History, has produced a sixth edition of his well-known textbook, "The Nevada Adventure: A History", published in April, 1990.

Robert Laxalt, holder of the Distinguished Nevada Author Chair in the Reynolds School of Journalism, has contributed the text to accompany a volume of photographs by Albert Allard, called "A Time We Knew: Images of Yesterday in the Basque Homeland", to be published in November, 1990.

Linda White, Assistant Coordinator of the Basque Studies Program, has written the "English-Basque Dictionary" with Gorka Aulestia, to be published in December, 1990.

Northern Nevada Community College - Faculty Senate Chairman

Michael Mc Farlane announced the following outstanding faculty:

Gail Barr has been a Chemistry Instructor on a part-time basis for several years, doing an outstanding job. She instructs students with a diversity of interests, including Nursing, Mining, and University parallel transfers. She had been excellent at getting all students in these fields to understand what is expected. She also has donated much time to stimulating interest in science with younger students. She brings in groups of children from 5th grade through junior high and provides demonstrations that show how science can be fun and exciting.

Western Nevada Community College - President Calabro announced the following outstanding faculty:

Richard Riendeau is an excellent English and Reading

Instructor.

Bonnie York was awarded the Teacher of the Year in Computing.

Anne Hansen, Public Information Officer, was awarded third place in the nation for catalogs and received the Paragon Award.

John Tylczak was awarded third place in the nation for catalogs and received the Paragon Award.

Desert Research Institute - Faculty Senate Chairman Steve Mizell announced the following outstanding faculty:

Dr. Randy Borys has been involved for over 18 years with atmospheric chemistry, weather modification and cloud physics studies which he conducts in the Sierra Nevada and the Rocky Mountains. More than 30 presentations at national and international meetings and 15 refereed scientific articles have resulted from his research. Recently, he has been invited to serve a 3-year term on the American Meteorological Society's Committee on Mountain Meteorology.

Truckee Meadows Community College - President Gwaltney

announced the following outstanding faculty:

Judith Colness designed a poster and received the

Paragon Award.

25. Information Only: Outstanding Student Recognition

At the request of the Board of Regents, each Student Government Officer or representative reported on the outstanding student achievements from their respective Institutions.

University of Nevada, Las Vegas - CSUN President Joe Bunin

announced the following outstanding student:

Mike Kennedy for his lobbying efforts, serving as Stu-

dent Affairs Director and CSUN Chief of Staff.

Desert Research Institute - Faculty Senate Chairman Steve

Mizell announced the following outstanding student:

Michael Nicholl was named recipient of the 1990-91

George Burke Maxey Fellowship. He was awarded the

Fellowship for his outstanding research proposal titled, "Dynamic Analysis of Fluid Flow in a Single Unsaturated Vertical Fracture". This research is the subject of Mr. Nicholl's dissertation which he is pursuing through the Mackay School of Mines at UNR under the supervision of Dr. Stephen Wheatcraft.

Clark County Community College - ASCC President Phil Morgan announced the following outstanding student:

Lynn Byers for her publication, "Reflections".

26. Report and Recommendations of the Academic Affairs Committee

A report and recommendations of the Academic Affairs Committee meeting, held June 29, 1990, were made by Regent Jill Derby, acting Chairman:

- (1) Approved the relocation of the Computer Science Department to the Mackay School of Mines at UNR. This program was previously housed jointly in the Departments of Mathematics and Electrical Engineering and Computer Science at UNR. No additional costs or faculty will be required.

Dr. William Cathey, Acting Vice President of Academic Affairs, stated that the accreditation team suggested that UNR consolidate all computer science programs under one College. The faculty decided that the School of Mines was the proper College for this consideration.

- (2) An annual report was presented by Vice Chancellor Warren Fox on UNS programs holding special accreditation and costs associated with such accreditation, as contained in Ref. AA-2, filed in the Regents' Office.

Dr. Fox indicated that the costs associated with accreditation were derived by such factors as faculty time, consultant time, resources, and visitations fees. Campus answers were not consistent, but they have agreed on a format for future reporting efforts.

President Maxson informed the Committee that the Nursing program at UNLV is accredited. UNLV is in the process of seeking accreditation for the Business program. Business class size, especially in Accounting, has grown so rapidly in the past that UNLV could not

hire faculty fast enough to keep up with the growth.

President Maxson stated that an accreditation team will be visiting the Business program this Fall, and UNLV will have the required faculty in place.

- (3) Approved the Handbook change, Title 4, Chapter 16, Section 19, Grades and Examinations, Satisfactory/Fail Grading, as contained in Ref. AA-3, filed in the Regents' Office.

Vice President of Academic Affairs John Unrue stated that this Handbook change was recommended by the Academic Standards Committee in order for the policy to be more narrowly defined.

Mr. Klaich moved approval of the report and recommendations of the Academic Affairs Committee. Mrs. Whitley seconded. Motion carried.

27. Report and Recommendations of the Audit Committee

A report and recommendations of the Audit Committee meeting, held June 29, 1990, were made by Regent June Whitley, Chairman.

(1) Senior Internal Auditor John Love presented the audit of the UNR Child and Family Research Center, July 1, 1988 through June 30, 1989. The audit report is filed in the Regents' Office.

(2) Senior Internal Auditor John Love presented the audit of the UNR Undergraduate Admissions, Fall, 1989. The audit report is filed in the Regents' Office.

(3) Senior Internal Auditor John Love presented the audit of the UNLV Center for Business and Economic Research, July 1, 1988 through June 30, 1989. The audit report is filed in the Regents' Office.

(4) Senior Internal Auditor John Love presented the audit of the Consolidated Students of the University of Nevada, Las Vegas, July 1, 1988 through December 31, 1989. The audit report is filed in the Regents' Office.

(5) Senior Internal Auditor John Love presented the audit of the UNLV Library Department, July 1, 1988 through October 31, 1989. The audit report is filed in the

Regents' Office.

(6) Senior Internal Auditor John Love presented the audit of the TMCC Printing Services, July 1, 1988 through October 31, 1989. The audit report is filed in the Regents' Office.

(7) Senior Internal Auditor John Love presented the audit of the CCCC Personnel Office, July 1, 1988 through June 30, 1989. The audit report is filed in the Regents' Office.

(8) Senior Internal Auditor John Love presented the audit of the WNCC Publications and Graphic Arts, July 1, 1988 through October 31, 1989. The audit report is filed in the Regents' Office.

(9) Senior Internal Auditor John Love presented the audit of the WNCC Personnel, July 1, 1988 through October 31, 1989. The audit report is filed in the Regents' Office.

(10) Information Only: Senior Internal Auditor John Love presented the follow-up report on the UNR Library

audit. The follow-up report is filed in the Regents' Office.

(11) Information Only: Senior Internal Auditor John Love presented the follow-up report on the UNR Printing Services audit. The follow-up report is filed in the Regents' Office.

(12) Information Only: Senior Internal Auditor John Love presented the follow-up report on the UNS University of Nevada Press audit. The follow-up report is filed in the Regents' Office.

(13) Information Only: Senior Internal Auditor John Love presented the follow-up report on the CCCC Printing Services audit. The follow-up report is filed in the Regents' Office.

Dr. Eardley stated that he was pleased with the thorough job which the Internal Auditing staff performs. President Calabro stated that the Internal Audit recommendations are very helpful.

Mr. Klaich moved approval of the report and recommendations

of the Audit Committee. Dr. Derby seconded. Motion carried.

Chairman Gallagher relinquished gavel to Regent Daniel Klaich, Chairman of the Investment Committee, which sat as a Committee of the Whole.

28. Investment Committee

The Investment Committee, meeting as a Committee of the Whole under the Chairmanship of Regent Klaich, acted as follows:

Mr. Klaich stated for the record that in this discussion, as in prior discussions of the Committee, the Chairman of the Board, Dorothy Gallagher, had a conflict and would not participate in any of the deliberations or voting on this issue. All other Regents were present.

Mr. Klaich stated that at the May meeting of the Board one of the reasons for the action taken was because a number of the members felt that they did not have full information on custodial banking services and the request for proposal (RFP) which called for new custodial banking services.

(1) Information Only: Discussion of Custodial Banking

Services Guidelines - Mr. Klaich introduced Mr. Tom Thomas, Valley Bank of Nevada, to discuss the current UNS custodial banking services contract. Mr. Thomas introduced other members of his staff: Mr. Mark Bouchard, Vice President and Manager of the Custody Department; Mr. John Shive, Trust Officer and Administrator of the University of Nevada System Account; and General Counsel Mr. John Joseph. He related the contract with UNS began in 1984 with a custody account of possibly \$25 million, and that there has been one fee reduction since that time which occurred in mid-1988. At the time of the RFP in March, 1990, the custody account contained approximately \$59 million in assets. At that time, (1989) the annual fee was \$46,253. He stated that the RFP did contain a pre-bid conference meeting on March 21, 1990, which Valley Bank failed to attend. Mr. Thomas continued that immediately thereafter, the bank approached the Purchasing Department of UNS to request any assistance and other options to provide another competitive bid from Valley Bank. Two options were given: (1) to request and obtain permission from the other banks; and (2)

to change Valley Bank's existing contract fee to reflect those fees which they would have submitted in a bid had they been so allowed. When the first option was not successful, they pursued the second, and they submitted a new fee agreement to UNS in advance of any discussions on the bids. However, this agreement was never accepted by UNS.

Mr. Klaich stated for the record that copies of the current Valley Bank contract, as amended, and the RFP, had been distributed to all members of the Board prior to this meeting.

Mr. Thomas asked Mr. Mark Bouchard to explain in general terms the custody business. He began, stating that custody assets are not assets of depository bank operations or services, therefore, the size of an organization is not necessarily the important services in the custody account. He related that by Federal law, the assets are not leined upon by the creditors of the commercial banking operation, which means there is no risk to assets in the custody environment. He continued that the services in the custody environment are very basic even at a national sense; that the serv-

ice involved the maintaining of securities or holding securities as agent on the client's behalf. The bank handles the income collection responsibilities, which means that the bank collects interest payments, for those securities bearing interest, in accordance with the terms of the agreement and/or wishes of the staff or managers.

Mr. Bouchard stated that UNS is a multi-management account, meaning that there are money managers who should manage the assets of the UNS. The account is also managed internally by Janet Mac Donald's staff on what are called short-term cash positions inasmuch as money managers place trades on a daily basis on behalf of UNS. Those trades go through the trading environment at a national level, primarily through the depository trust companies, the central focus point nationally where most municipal bonds and stocks are held.

All banks are members of the Federal Reserve System of New York or Los Angeles. Physical assets, such as commercial paper and CDs, are acquired from time-to-time either by the University or the money managers.

All of the banks have what are called correspondence banking book which is a bank that handles physical

transactions that cannot be handled in Nevada for any place other than New York City. The custody bank (Valley) takes instructions from the money managers and executes those actions by handling the cash and the payments of securities when purchased on behalf of the managers, or they deliver securities and collect the cash. These transactions are very regulated and controlled environments per contract. The cash is credited or debited to the UNS account and proper accounting is maintained daily and communicated to the UNS Treasurer's staff. In situations where the Treasurer's Office buys or sells securities, the same holds true, the only difference being, rather than using electronic mechanism for the transaction, phone calls are made. The checks and balances for such activity is through notification in writing, as well as through the electronics system.

Mr. Bouchard stated that outside of that, there is very little that is "magical" about the custody business; that all banks have basically the same products and services with a few different "bells and whistles" from bank to bank.

In answer to Mr. Foley's question, Mr. Bouchard stated that Marine Midland is used by Valley Bank. Mr. Foley then asked in whose name the UNS funds were deposited.

Mr. Bouchard replied that there is a Federal law governing this matter wherein that because of the electronic automation, that once a contract is entered into with a name stated on the statement, that name must be used for all the securities published on that statement record. He related that in layman terms, the bank is saying that the client owns all of those securities.

Mr. Bouchard stated that in answer to the question specifically, Valley holds the securities in what they call "nominee name", which is for easily trading, getting away from the practice of 15 to 20 years ago where every trade or sale had to be signed off by the authorizing client, such as the Board of Regents. He continued that these transactions are reviewed and audited both internally by Valley's organization, externally by the Federal Reserve, and also by a third party, that of Peat Marwick Mitchell, audits for asset positions making sure that everything reported to clients is, in fact, in order. Valley also has internal checks and balances that maintain the integrity of their data.

Mr. Foley asked whether the nominee account is in the name of Valley Bank. Mr. Bouchard replied that in New York, the trading account is in the name of the University of Nevada System, since it is published that way. The securities themselves, however, are in nominee and are again used for trading purposes.

(2) Information Only: Discussion of Current UNS Custodial

Banking and Checking Service Policies - Mr. Klaich related that at the Investment Advisory Staff Committee meeting in February, 1990, direction was given to Janet Mac Donald to develop a Request for Proposal (RFP), and asked Ms. Mac Donald to now discuss the matter.

Ms. Mac Donald related that the staff began preparation of the RFP about a year ago. We were anticipating taking advantage of major changes in custodial banking in the last decade, only a few banks committed the large capital required for technology to improve service.

Ms. Mac Donald reviewed these new services and included them in the RFP. She outlined a few of these services including having access to the custodial computer information system directly to the personal computers

in her office so that the portfolio could be priced at market value at any point in time, as well as to be able to down-load the bank's database onto spreadsheet software in the Treasurer's Office. Currently, this operation is done manually by re-keying the Valley Bank statements into the Treasurer's personal computers. She stressed her need and responsibility to be able to track activity and to be certain all UNS assets are handled properly.

Another item of importance is to have financial statements from the banks on each of the money managers based on "trade day" and on "settlement day". Ms. Mac Donald explained that once a manager sells a stock it is out of his portfolio and no longer under consideration, and so reports to her from managers are on a "trade date basis". The Board of Regents, however, considers settlement date of prime importance when the security is transferred to the new owner and the cash received.

Daily pricing of UNS securities is needed in order to verify that Board guidelines are being enforced. Since the establishment of a custodial account in 1984, UNS

has moved into more and more complex instruments: options, asset backed securities, futures, and foreign markets. In order to manage these complex investments we require specific technology. Additionally, Ms. Mac Donald stated she was interested in security lending, but only if the bank could provide indemnification against losses to UNS, which very few banks can provide. Security lending is accomplished through the custodial bank which lends them to brokers who might sell a security not in their possession. When called upon to deliver that security, they then borrow it from someone and pay a fee, which can add from 10 to 30 basic points to the Board of Regents' total return.

Concerning the evaluation of bids, Ms. Mac Donald stated she called the UNS Controllers to sit as a review committee inasmuch as they would be responsible for UNS funds if there were not a UNS Treasurer. They agreed to serve, and recommended that the RFP for custodial services be handled by Business Center North. Business Center South would handle the RFP for the UNS checking account. She related that the review committee all signed non-disclosure statements wherein they all agreed not to discuss the process with anyone oth-

er than committee members in order to protect the integrity of the process.

In response to a question from Mr. Klaich, Ms. MacDonald stated that Cambridge and Associates, UNS financial advisors, provided her with a draft RFP and numerous annual studies they conduct on custodial banking, from which she learned of a number of the changes occurring in the field.

Mr. Foley suggested that the Chancellor's Investment Advisory Committee be added to the review committee when bids are screened and that they be present when a presentation is made to the Board. It was his feeling that the Board should be more involved in the bid process.

Mrs. Sparks wondered what other services are obtained through the RFP and bid process by the Treasurer's Office, with the answer being selection of money managers, outside accounting services, and the checking and custodial services. She then asked whether in the past an interim committee had reviewed these procedures or whether the decision had been made di-

rectly by the Board. Ms. Mac Donald explained that six years ago when the custodial services were first obtained by UNS, an RFP was used and Valley Bank was the most responsive and responsible bidder. Prior to that time banks were managing the assets, but they also held them. The separation of those funds from the managers was a major move for UNS as a protective measure. There had not been an RFP for the checking services.

Dr. Eardley clarified that in February (1990) the Investment Advisory Committee had discussed custodial banking and had instructed Ms. Mac Donald to proceed, without giving her detailed instructions, and for her to report the results to the Board, which she had done at the May, 1990 meeting. At that time, Ms. Mac Donald's report did include an explanation of the process that was used, and which stated that the process had followed guidelines and policies adopted by the Board. He elicited from Ms. Mac Donald that there were members from the southern Campuses on the review committee, that Business Center North was chosen for this process, that Business Center South would be used for the checking services process, and that there was

no regional discrimination involved.

Mrs. Sparks questioned why Ms. Mac Donald had not requested some of the new custodial services from Valley Bank. Ms. Mac Donald explained that about a year ago she and her assistant had spent two days at Valley Bank in Las Vegas thoroughly reviewing their operations and how they conducted their transactions and realized they did not have the capabilities and are not currently providing these services. Mrs. Sparks continued that, knowing for a year these services were available, UNS should have been updating current capabilities. Ms. Mac Donald replied that she had listed the new services that would be beneficial to UNS in the RFP.

In answer to Dr. Eardley's question concerning differences in services from various banks, Ms. Mac Donald stated that all banks can do custodial work, but they can't all do it at the same level because of the major financial commitments some have made to upgrade technology to handle these changes.

- (3) Reconsideration of Action on UNS Custodial Banking Services - Mr. Klaich explained that several members

of the banking community were present and wished to make statements prior to the Board proceeding to Item 3.

Mr. Donald Snyder, President and CEO of First Interstate Bank, stated he had sent a letter to the members of the Board of Regents expressing the bank's views of the action taken at the May, 1990 Regents' meeting, and then introduced Mr. Greg Titus, Vice President. Mr. Titus commended Ms. Mac Donald and staff for conducting a very comprehensive and thorough evaluation process of the bids which were submitted.

Mr. Titus stated that he felt the custodial business was not as simple as Mr. Bouchard had portrayed, that as portfolios become much larger the bank must incorporate the newer capabilities in order to maximize the return for the client. He related that while FIB was not the successful bidder, they did accept that Security Pacific had submitted a very comprehensive and beneficial proposal for UNS. He explained that a pre-bid conference is very common and is, in fact, essential. It allows all those interested to share the scope of the needs and requests of the client and

gives a "level playing field" on which bids are based.

The client, the current provider and prospective providers can question one another in an open forum to glean what it takes to manage the account relationship as requested in the RFP.

Mr. Titus stated that FIB's interest at this point is to maintain the integrity of the bid process for future UNS bids. He related that it is essential that the banking community have confidence in the bidding process before they participate in future bids. He stated FIB would be amenable in this instance, in order to assist resolution of the case at hand, to waive the pre-bid conference rule, to allow the Valley Bank proposal to be opened provided it was evaluated under the same conditions as all other bids had been.

Mr. Lyle Knight, President and CEO of Security Pacific Nevada, introduced Mr. John Whitmer, Senior Vice President who manages the Trust Department; Mr. Tom Bartlett, Senior Trust Officer; and, Mr. Brent Small, General Counsel. He stated that Security Pacific Bank is a Nevada organization whose headquarters are in Las Vegas, and that the bank is a member of the Security

Pacific family, which is the 5th largest banking institution in the United States and brings those resources into play when doing business. He referred to a letter sent to Regents approximately two weeks ago stating his position concerning the action taken by the Board at its May, 1990 meeting.

Mr. Knight stated pre-bid conferences are common and Security Pacific participates in them all the time, and explained they provide information to all interested in bidding. He related that Security Pacific manages \$200 billion in assets and are on the cutting edge of technology and, in fact, have plans to reinvest approximately \$13 million over the next fiscal year in hardware and software to remain on that cutting edge. He disagreed with the previous statement that all banks and services are the same. He referred to a bid, stating that the fee is not the only criteria for judging bids. He related that Security Pacific and First Interstate Bank are constantly in competition for services across the country.

Mr. Knight stated that they are concerned about the integrity of the process the University System was

using. He explained that he did not agree with the offer made here by First Interstate Bank, that of waiving the pre-bid conference for Valley Bank. He referred to Nevada having attracted the largest banks in the nation to the State, and urged that by following the bid procedures as originally specified it provided a statement to all business of the integrity of those procedures.

Mr. Tom Thomas, Valley Bank, reiterated that they are an \$8 billion dollar organization and handle four major accounts, which when combined, total in excess of \$400 million. He accepted First Interstate's proposal of opening the Valley Bank to bid, and offered that they would also be amenable to having the other bidders change their proposals if they so wished.

Dr. Hammargren questioned why Valley Bank so badly wants this bid. Mr. Thomas replied that they never submit a bid to "lose money on the contract". He explained that it is easier for Valley Bank to provide the services as they have been provided in the past but at a lower level because they are locally based and, therefore, the cost of doing business in Nevada

is substantially lower than the cost for doing business on the west or east cost. He stated that they do price their fees according to the client, and do take into account that educational institutions are non-profit. Mr. Snyder, First Interstate Bank, stated again that the process is the reason for their continued interest in the settlement of this issue. Mr. Knight agreed, that the issue is that of the principal involved.

Mr. Foley referred to the letter which accompanied the RFP which stated that the University has the right to reject all proposals, and the same language is contained in the contract. Mr. Knight stated he had responded to that question in his letter and added that he does not feel there is reason to reject all bids because one bank did not attend the pre-bid conference. Mr. Snyder agreed.

Mr. Foley referred to confidential advice given by "the Chancellor's lawyer" that there was a threat of a law suit by the banks (Note: The confidential memo from Mr. Klasic had been quoted in the newspaper that morning). He referred to the provisions of the UNS

Code which discusses the responsibility of the Board in fiduciary matters, stating that these matters in his opinion could not be delegated.

Dr. Derby asked Mr. Knight to clarify how the pre-bid conference offers protection against allegations. Mr. Knight replied that if all parties concerned, the client, the holder of the current contract and the prospective bidders are present, when all have the same opportunity in gathering information prior to the bid.

Mr. Snyder stressed that there is a "duty" of the existing bank holding the current contract to be present to provide information with regard to the services being performed.

Mr. Thomas stated that Valley Bank only holds \$60 million of UNS funds and that the discussion centered around \$200 million, but he assumed the rest of the funds were presently housed with Security Pacific. He reiterated that Valley Bank is only discussing the \$60 million in the custody account. Mr. Collins stated that Security Pacific does indeed have approximately a

\$30 million operating fund account and that he felt it was UNS intention to consolidate their funds as it was stated in the RFP. He stated that there is a difference in sophistication of the handling of these two accounts and that is why they had not been addressed separately. Mr. Klaich stated that it was his understanding that the two accounts were to be merged as called for in the RFP proposal, and that although the discussions have indicated this is now a pooled account, it is not, it is a bifurcated account.

Mr. Hammargren moved to table all discussion until there was clarification as to the amount and distribution of the funds. Mr. Foley seconded.

Dr. Hammargren amended the motion to table any action the Board might take, but that discussion should continue in order to gather more information.

Mrs. Sparks announced that inasmuch as she was not aware that accounts were currently separated, and that she did not know the exact amount of the funds under discussion, that she would have to abstain from voting.

Mrs. Berkley stated that she had studied the issue at great length, had studied the confidential brief from General Counsel Donald Klasic, and that with her understanding that staff had precisely followed the Board of Regents guidelines, and, although not agreeing with those guidelines, she would vote to rescind the action of the Board at its May meeting, and vote to award the bid to Security Pacific Bank based on the need for public trust and confidence in Board decisions. She urged the guidelines be reviewed prior to another bid process.

Mr. Klaich stated he had authorized Janet Mac Donald to leave the meeting, but felt that the amount of the fund was not the question, that it was a "red herring", and the issue was the awarding of the best contract to the lowest and most responsive bidder. He urged the Board not to "duck the issue" before them and postpone action for another month or so, and was, therefore, speaking against the motion.

Dr. Eardley questioned why First Interstate Bank was now changing their position to allow Valley Bank to enter the proceedings. Mr. Titus explained that they

were not changing their position, only offering a compromise to help restore confidence in the bidding process.

Mr. Klaich clarified that the motion to table would end the meeting.

Motion failed on roll call vote. Voting no: Berkley, Derby, Eardley, Klaich. Voting yea: Foley, Sparks, Hammargren, Whitley.

Mr. Klaich explained that Item 3 of the agenda was now open for discussion.

Mr. Foley moved not to reconsider the action of the Board at the May 17-18, 1990 meeting. Mrs. Whitley seconded.

The Chairman declared the motion to be that of non-action of the Board and not in order.

Mrs. Berkley moved to rescind the action of the Board at its May 17-18, 1990 meeting wherein the Board moved to reject all bids. Dr. Eardley seconded. The motion

carried on roll call vote. Voting no: Foley and Hammargren. Voting yea: Berkley, Derby, Eardley, Whitley, Klaich. Abstain: Sparks.

Dr. Hammargren stated his reason for voting no was that he did not feel that anyone really understood the implications of the vote.

Dr. Eardley moved to award the custodial bank bid to Security Pacific Bank as proposed on recommendation of staff. Dr. Derby seconded. Motion failed on roll call vote. Voting No: Foley, Hammargren, Sparks, Whitley. Voting yea: Berkley, Derby, Eardley, Klaich.

After a recess, the meeting continued with Mr. Klaich stating he apologized to those in attendance for sending Ms. Mac Donald back to Reno.

Chancellor Dawson reported that although the precise amounts were not available at this instant, the UNS funds are distributed approximately \$60 million to Valley Bank Trust Department, approximately \$30-35 million to Security Pacific in operating funds, and the difference held by Valley Bank's Corporate Trust

Office for the refinancing of UNS bonds on the two pavilions. These are held in trust to meet the debt service on the original bonds as they become due. He explained that those particular bonds have been refinanced twice. Mr. Klaich assured the Committee that a precise accounting would be made to the Board on Monday.

Mrs. Whitley moved to open all bids received and evaluate them on the same criterion as previously used for the other two banking institutions.

The Chairman asked General Counsel whether the Chairman could second a motion. Upon advice from Counsel, the Chairman stepped down, handing the gavel to Regent Sparks.

Mr. Klaich seconded.

Mr. Klaich clarified for the Committee that the motion states that the bid irregularity of Valley Bank in not attending the meeting is waived, and that the bid be opened and be referred to staff to be compared on the same criterion as set forth for Security Pacific and

First Interstate.

Further discussion ensued on the news article referred to earlier. Dr. Hammargren questioned Mr. Klastic whether, in light of discussions at this meeting, he had changed his opinion of whether UNS might be sued. Mr. Klastic replied that it was his belief that the statements made at this meeting were made in order to "leave all options" open, but that in his discussions with the banks' attorneys, they had indicated a suit would be the very last resort and one they did not want to take, but that nonetheless, he was left with the impression that there was a distinct possibility of a suit.

Motion carried on roll call vote. Voting no: Foley, Eardley, Berkley. Voting yea: Derby, Hammargren, Klaich, Whitley, Sparks.

Note: Filed in the permanent minutes is the memorandum to the Board of the disposition of UNS funds.

The open meeting reconvened at 3:35 P.M., Friday, June 29, 1990, with all Regents present.

29. Report and Recommendations of the Ad Hoc Committee on Health

Care

A report and recommendation of the ad hoc Committee on Health Care meeting, held June 29, 1990, were made by Regent Carolyn M. Sparks, Chairman.

(1) An overview of the meeting of the ad hoc Committee on Health Care held on June 14 in Las Vegas was given, as well as a general discussion of possible future budget impacts of expanded health care programs.

During the June 14 meeting, Senator Ray Rawson provided information relating to health care education and he proposed funding from special accounts which would be made available for health care activities at the various Campuses. The Committee requested additional information in this regard. Dr. Derby stated that she interpreted Senator Rawson's statements to be that he could suggest where funding could be raised, and that he thought funds could be shifted within UNS's budget. Dr. Warren Fox, Vice Chancellor for Academic Affairs, stated that information is being gathered on health

care program costs and understood from the last meeting that funding would be raised outside the normal budget process. Dr. Fox informed the Committee that this request for information has been delegated to each of the Campus Academic Officers who will report their findings to the Committee at its next meeting.

Mr. Foley stated that the Campus Presidents have discussed this and they did not want to commit funding from their Campuses unless the funding was raised by other sources. The Presidents are willing to help the cause, but have Campus priorities that come before health care education. Vice Chancellors Fox and Ron Sparks will gather information for the next meeting.

(2) Dr. Thomas Cinque, Associate Dean of the School of Medicine, reported that Federal funding for AHEC programs are being phased out, therefore the School of Medicine is requesting State funding to be granted for this worthwhile program.

Mr. Klaich stated that although the AHEC program in Nevada is an excellent program, he requested that funding for this program be included in the UNS funding prioritization in the future. Vice Chancellor Sparks

stated that AHEC funding is not in the base budget at this time. The deadline for requests was May 8, 1990, and the AHEC request was not included. Mrs. Gallagher stated that the Legislature supports this project, and suggested that in the future the School of Medicine might consider a separate Board to administer the project. Dr. Cinque stated that across the country AHEC projects are administered by independent Boards, but through the medical schools. Mr. Klaich questioned if this project should become a stand-alone program.

Chairman Sparks stated that until the School of Medicine submits a request for funding to Vice Chancellor Sparks, this discussion is for information only.

(3) Information Only: Chairman Sparks indicated that Dr. Lonnie Hammargren had brought to the attention of the Committee the decrease in numbers of Medical School residents who remain in Nevada.

Dr. Cinque informed the Committee that the Obstetrics/Gynecology residency program was filled, but that the Internal Medicine residence program was having difficulty in Nevada, but it has also experienced a downward shift across the country. He stated that the

decline in Internal Medicine may be caused by the AIDS virus, large debts for internists, and that the primary care load falls onto internists, therefore doctors are overworked and underpaid.

Dr. Cinque distributed a chart which summarized the internal medicine first year positions offered and filled by U. S. graduates in the NRMP Match since 1985.

The chart indicated that until 1989 all residence positions were filled by the end of the match, but this year there was only one resident to be located in Las Vegas. Therefore, the School of Medicine rescinded its rules and allowed foreign students into the residency program.

Dr. Hammargren stated that there is a local deficiency in residents returning to Nevada; out of 48 students only 5 remained in Nevada residency programs.

Upon questioning, Dr. Cinque stated that in order to retain residency programs in Nevada there needs to be more efficient research facilities. He estimated that a new research building would cost \$11 million.

Dr. Hammargren suggested that the Board authorize the School of Medicine to lease office space near the University Medical Center for teaching physicians.

Dr. Cinque related that the staff at the University Medical Center has been very cooperative with the School of Medicine in donating their time to teaching residents. However, Dr. Hammargren stated that the Chief of Staff at the University Medical Center has indicated they will no longer provide free instruction to the School of Medicine, but would provide teaching staff as long as they were paid by the School of Medicine.

Chairman Sparks requested further information be brought before the Committee at its next meeting in July regarding the number of graduates who return to Nevada after their residency program is completed.

The meeting adjourned at 4:25 P.M.

Mary Lou Moser

Secretary of the Board

06-28-1990

