

UCCSN Board of Regents' Meeting Minutes June 23-24, 1994

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BOARD OF REGENTS

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

June 23-24, 1994

The Board of Regents met on June 23-24, 1994 in Rooms 201-202,

Donald Moyer Student Union, University of Nevada, Las Vegas.

Members present: Dr. James Eardley, Chairman

Mrs. Shelley Berkley

Dr. Jill Derby

Mr. Joseph M. Foley

Mrs. Dorothy S. Gallagher

Mr. Madison Graves, II

Dr. Lonnie Hammargren

Mr. Daniel J. Klaich

Mrs. Nancy Price

Mrs. Carolyn M. Sparks

Mrs. June F. Whitley

Members absent: Mr. Daniel J. Klaich

Others present: Interim Chancellor John Richardson

President Anthony Calabro, WNCC

President Joseph Crowley, UNR

Interim President Kenny Guinn, UNLV

President John Gwaltney, TMCC

President Paul Meacham, CCSN

President James Taranik, DRI

Vice President Bill Bonaudi, NNCC

Mr. Donald Klasic, General Counsel

Mr. Ron Sparks, Vice Chancellor

Mrs. Karen Steinberg, Interim Vice Chancellor

Ms. Mary Lou Moser, Secretary

Also present were Faculty Senate Chairmen (or their representatives) John Coles (TMCC), Richard Finn (WNCC), Richard French (DRI), Chris Gaub (Unit), Scott Hawkins (NNCC), Sonny Lyerly (CCSN), Marsha Read (UNR), and James Stivers (UNLV), and Student Association Officers.

Chairman Eardley called the meeting to order at 9:04 A.M. Thurs-

day, June 23, 1994, with all Regents present except Regents Hammargren and Klaich.

1. Approved the Consent Agenda

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

(1) Approved the minutes of the regular meeting held May 18-20, 1994.

(2) Approved the gifts, grants and contracts, listed in Ref. C-1, filed with the permanent minutes.

(3) Approved the following appointments to the TMCC Incline Village Advisory Board:

Jeff Ackerman	Jim Jeffers
Brad Beckwith	Andrew Jezycki
Monica Folio	Jim Mancuso
Sam Folio	Jim Nadeau
Alex Graham	Kathleen Newby
Chris Hershberger	Ron Usiewica
Craig Hollingsworth	

(4) Approved a Handbook addition, Title 4, Chapter 17, Section 10, Student Fees, UNR, to establish an International Student Fee at \$75 to cover administrative costs of programs directly related to international students. See Ref. C-2 filed in the Regents' Office.

(5) Approved authorization to utilize Capital Improvement Fees in the amount of \$105,000 for the following projects at NNCC:

To complete the roofing project on Lundborg Hall. \$75,000

To pay for additional work and expenses for the Child Center. 20,000

To do some remodeling of Lundborg Hall. 10,000

(6) President Taranik requested that the DRI Financial Plan be withdrawn.

(7) Approved the following interlocal agreements:

A. UCCSN Board of Regents/UNR and the Nevada State

Division of Health/Bureau of Licensure and Certification (Interlocal Contract)

Effective Date: Date approved by Board through

September 30, 1994

Amount : \$10,000 maximum to UNR

Purpose : UNR's Gerontology Center to provide training sessions in skilled nursing and intermediate care facilities to Bureau.

B. UCCSN Board of Regents/UNR and the Department of

Human Resources/Division of Mental Hygiene and Mental Retardation (Interlocal Contract)

Effective Date: July 1, 1994 through June 30, 1995

Amount : \$11,000 maximum to UNR

Purpose : UNR to provide one Psychology Doctoral Candidate Intern to Rural Clinics offices, to perform full range of psychological services.

C. UCCSN Board of Regents/UNR and the Department of

Human Resources/Division of Mental Hygiene and
Mental Retardation (Interlocal Contract)

Effective Date: July 1, 1994 through June 30, 1995

Amount : \$11,000 maximum to UNR

Purpose : UNR to provide Psychology Interns
to provide psychological services
to Nevada Mental Health Institute.

D. UCCSN Board of Regents/UNR and the Department of
Conservation and Natural Resources/Division of
Environmental Protection (Interlocal Contract)

Effective Date: July 1, 1994 through June 30, 1996

Amount : \$310.50 unit price basis per site

Purpose : Geodemographic analysis of poten-
tial Superfund sites.

E. UCCSN Board of Regents/School of Medicine and the
University Medical Center of Southern Nevada
(Interlocal Contract)

Effective Date: Amendment to original contract -
extends time through June 30, 1995

Amount : Payment to Medical School in accordance with two documents, Ref. C-4 is filed in the Regents' Office, entitled "Proposed UMC Support for School of Medicine Programs 1994-95"

Purpose : UMC to make its facilities available to Medical School for clinical teaching, residency and research programs.

F. UCCSN Board of Regents/School of Medicine and the Department of Human Resources/Division of Child and Family Services (Interlocal Contract)

Effective Date: July 1, 1993 and shall continue until June 30, 1995 with annual renewal options

Amount : \$27,000 annually to Medical School

Purpose : Medical School to provide pediatric care to Southern Nevada Child and Adolescent Services.

G. UCCSN Board of Regents/Cooperative Extension, Las

Vegas and Clark County (Interlocal Contract)

Effective Date: Date approved by Board through

August 14, 1994

Amount : None

Purpose : Lease by Cooperative Extension of
3333 Cambridge, Las Vegas, known
as the Community 89109 Outreach
Center.

H. UCCSN Board of Regents/Cooperative Extension, Reno
and Junior Livestock Show Board (Interlocal
Contract)

Effective Date: July 1, 1994 to June 30, 1995

Amount : \$25,062 to Extension

Purpose : Extension to hire consultants,
students and part-time employees
as directed by Junior Livestock
Show Board to fulfill temporary
needs in conducting the Junior
Livestock Show.

I. UCCSN Board of Regents/TMCC and the Department of

Human Resources/Division of Mental Hygiene and
Mental Retardation (Interlocal Contract)

Effective Date: July 1, 1994 to June 30, 1995

Amount : \$17,500 to TMCC

Purpose : Classes to train Division technicians/forensic specialists.

Mr. Graves moved adoption of the Consent Agenda and approval of the prepared agenda with the authority to change the order of items as specified throughout the meeting. Mrs. Sparks seconded. Motion carried.

2. Introductions

President Taranik introduced Dr. Richard French, Vice Chairman of the DRI Faculty Senate.

President Gwaltney introduced Mr. John Coles, member of the TMCC Faculty Senate.

President Crowley introduced Mr. Steven Horsford, ASUN Vice President.

3. Chairman's Report

Chairman Eardley indicated that those serving on the various search committees must work through a long process and have a difficult task before them. He commended each of those members who are involved in the selection process. He acknowledged that the searches are being conducting during the Summer months and commended those faculty and students who are returning to serve on these committees.

Chairman Eardley acknowledged the fine work that is being performed by Interim Chancellor John Richardson and Interim Vice Chancellor Karen Steinberg.

4. Chancellor's Report

Interim Chancellor Richardson requested the following resolution honoring CCSN President Paul Meacham be made part of the official record:

RESOLUTION #94-1

WHEREAS, Dr. Paul E. Meacham, retiring President of Community College of Southern Nevada, led an insti-

tution during 10 years of phenomenal growth, managing services for a student population that expanded from 9,000 to more than 22,000 headcount from 1984 to 1994; and,

WHEREAS, Dr. Meacham not only oversaw development of a multi-Campus environment to meet demands of Clark County's rapidly growing metropolitan area, but also lobbied successfully to change the name of Clark County Community College of Southern Nevada to more accurately reflect the institution's 42,000-square-mile service area encompassing Lincoln, Nye and Esmeralda Counties of Southern Nevada, too; and,

WHEREAS, this dedicated educator worked with internal and external constituents to advance goals and objectives of CCSN and Nevada higher education as a whole; and,

WHEREAS, Dr. Meacham successfully heightened public awareness about CCSN's accomplishments, potential and promise as a provider of high-quality, useful, affordable higher education; and

WHEREAS, this committed President fought hard for high-priority status to secure State funds financing capital construction for all three CCSN Campus sites; and,

WHEREAS, Dr. Meacham established and maintained effective partnerships providing for joint building occupancy and program development with the University of Nevada School of Medicine at the Claude I. Howard building, West Charleston Campus, and the Clark County Library District to which CCSN donated 5 acres at that Campus; and,

WHEREAS, among the many new academic programs and student services established during his tenure was Nevada's first formalized high school/Community College articulation program with the Clark County School District (a partnership which became the focus of two national conferences and inquiries from at least 17 other states; and,

WHEREAS, Dr. Meacham established Phi Theta Kappa, the first Nevada Community College National Honor Society, to recognize student achievement; and,

WHEREAS, working with faculty and staff, the President worked to accomplish an orderly elimination of salary equity gaps, part of the new Community College salary schedule adopted by the UCCSN Board of Regents in 1991; and,

WHEREAS, loyal to his colleagues, he lobbied fiercely to raise UCCSN's consciousness about the relationships between Administrators' workloads, compensation, morale and retention of employees willing to serve in leadership positions; and,

WHEREAS, this sensitive and humane Administrator devoted himself to significantly improving the level of civility throughout CCSN, developing an institutional climate in which faculty and staff banded together to see CCSN through the financially austere early 1990s; now therefore, be it

RESOLVED, that the UCCSN Board of Regents does extend its deepest gratitude to Paul E. Meacham for his unselfish contributions to Nevada higher education. This educator was called upon to usher Nevada's largest Community College, serving Nevada's largest higher educa-

tion student population, during a decade of unprecedented growth marked by capital improvement expansion, skyrocketing student enrollments, establishment of numerous new programs, rapidly changing technology, ever-increasing public demands for new and improved services, faculty pressures for increased participation, recognition, financial rewards, equity and better working conditions, and external pressures for more input and accountability.

This dedicated public servant did far more than merely answer that call. He worked tirelessly to address numerous competing needs and demands, in an environment of limited financial support and significant budget reductions. More than that, Dr. Meacham shared himself with the higher education community -- his experiences, insights, frustration and pearls of wisdom -- often cloaked in clever anecdotes that offered relevant perspective. The musical, playful, humorous sides of this man entertained and enriched us all well.

UCCSN asked this President to accomplish what must, at times, have seemed impossible. Dr. Paul E. Meacham delivered.

Dr. Richardson announced that while President Crowley was on sabbatical leave in London, England, he performed research for his newly published book entitled, "No Equal in the World. An Interpretation of the Academic Presidency."

Dr. Richardson commended President Crowley on his work on behalf of higher education and the University of Nevada.

Dr. Richardson announced that Ms. Pamela Galloway, Director of Public Information, has accepted a position at UNR and will be leaving the Chancellor's Office at the end of July.

On behalf of the Board of Regents and the Chancellor's staff, Dr. Richardson extended appreciation for her service to the Office and to higher education in Nevada.

Dr. Richardson stated that the Chancellor's Office has issued an update on the UCCSN Strategic Directions, which is a guiding document for the System. The document has been praised by Dr. Ira Krinsky, Korn/Ferry International consultant for the ad hoc Chancellor's Search Committee, who has found this document to be very helpful in recruiting potential candidates for the Chancellor's position.

Dr. Richardson reported that all 13 recommendations of the

ad hoc Committee on Ethnic Minority Affairs have been discussed with the Council of Presidents and several activities are already underway at the various institutions.

5. Approved Acceptance of Gifts, UNLV

Accepted the following gifts for the benefit of UNLV:

A. Interim President Guinn introduced Mr. Tom Hartley, Chairman of the UNLV Foundation, who presented to the Board of Regents on behalf of the UNLV Foundation a \$10 million gift from the Lied Foundation Trust to help in constructing a new library on the UNLV Campus. The donated funds will be used as a catalyst for securing the balance of funds needed for constructing and equipping a library estimated to cost a total of \$40 million.

Mr. Hartley explained that in accordance with the agreement between Ms. Christina Hixson, trustee of the Lied Foundation, and the UNLV Foundation, the funds will become available to the University if the Nevada Legislature appropriates \$3 million for architecture and design costs during the 1995 legislative session and the balance (approximately \$27 million) during the 1997 session.

Mrs. Sparks moved acceptance of the \$10 million gift from the Lied Foundation Trust for the purpose of constructing a new library on the UNLV Campus. Mrs. Gallagher seconded.

Mrs. Price clarified that the terms and conditions of the agreement are contingent upon the actions made by the 1995 and 1997 Nevada Legislature, and Mr. Hartley confirmed the statement.

Interim President Guinn stated that he was aware that the Board of Regents had recently approved a New Capital Construction Priority List which lists the UNLV library as the 8th priority. He stated that by accepting this gift the UCCSN list and process would not be disturbed. He requested that UNLV be allowed to move ahead and request \$3 million from the 1995 Nevada Legislature for this purpose, but to make it clear that this request is on the outside of the UCCSN priority requests. He felt it would be a very good investment for the Legislature to advance funding over two years from the capital improvement fund for this project. This would realize a savings of approximately \$4 million. No institution

should be backed away on the priority list while the Legislature advances UNLV \$3 million as a match to the Lied Foundation Trust gift.

Mrs. Berkley stated that this was an extraordinary gift and opportunity to aid UNLV in truly realizing its full potential. At this time, UNLV is being academically challenged and is constrained until it can furnish a first rate library. She stated that she was extremely grateful to Ms. Hixson for her support of UNLV.

Upon questioning, Dr. Guinn stated that if a Law School were to be incorporated at UNLV, Law Schools typically have a separate library, although the Law School would certainly be able to utilize this proposed library facility.

Interim Chancellor Richardson requested the Board to defer the acceptance of this gift until the next Board of Regents' meeting. Chancellor's staff have not had the opportunity to review the documentation. He stated that it was not his intention to take away from the generosity of the gift, but it would be appropriate to have staff review the documentation prior to accept-

ance.

Mrs. Berkley suggested that the Board of Regents accept the gift contingent upon review of the documentation by the Chancellor's staff.

Mr. Graves suggested that due to the magnitude of the gift, the acceptance be deferred to later in the meeting after review by the Chancellor's staff. He stated that although he was in support of accepting this gift he was concerned that this would inevitably cause a re-issuance of the capital improvement project priorities and did not want to set a precedent for the future.

Mr. Foley agreed that the acceptance should be deferred until later in the meeting, but felt that although the priorities have been set, they no longer should apply with a gift such as this. Mrs. Sparks did not think the priorities should be changed, but did agree that the Board of Regents should take advantage of this gift.

Dr. Guinn reiterated that it was not UNLV's intention to change the priorities and did not want UNLV's library (number 8) to be moved up on the priority list. He requested that the Board accept this gift and indicated

that the agreement is very clear and concise. He assured the Board that if there was an issue of concern within the agreement, Ms. Hixson would be willing to discuss the agreement with the Board.

Upon questioning, President Crowley explained that UCCSN has established a budgeting process that works in mysterious ways. In regard to the capital improvement list, priorities are set by UCCSN. However, the Legislature has changed these priorities and substantial gifts also have caused a change in the UCCSN priorities.

Mrs. Gallagher clarified that the Board of Regents does not require documentation on every gift received by the institutions; however, if documentation is presented for signature, then it should be reviewed by General Counsel.

Mrs. Sparks indicated that she was very surprised that the Board was holding such a discussion in light of this tremendous gift. It has been stated that there is no intention of changing the priority list and it should be incumbent upon this Board to accept such a general gift. If there should be any glitches in the

documentation, then she was sure they could be worked out between the Board and Ms. Hixson.

Dr. Hammargren entered the meeting.

Mrs. Sparks suggested amending the motion for the contract to be contingent upon review and acceptance by General Counsel and the Chancellor, and that negotiations of the contract be handled between the parties.

Mr. Graves suggested that the motion include a statement that the gift is significant enough to re-evaluate the UCCSN priority list at this time. Mrs. Sparks did not wish to change her motion.

Mrs. Berkley stated that she was not willing to change the priority list at this time until the financial outlook of the State was reported. UNLV may be setting the pace for the other priorities on the list to get moving, and this may help the other projects. She stated that changing the priorities is for a future discussion if it is absolutely necessary.

Motion carried.

Mr. Foley extended his appreciation to Mr. Hartley and the UNLV Foundation and stated that he was forever grateful to them.

B. A gift from University Orthopedics for an Orthopedic Clinic to be located in the Lied Athletic Complex at UNLV. This gift will consist of furnishings and related medical and office machines, including x-ray capabilities, as well as casting and examination facilities. The Clinic will also be available to all UNLV students for initial orthopedic examinations when needed. See Ref. D, filed in the Regents' Office.

Mrs. Gallagher moved to accept the gift from University Orthopedics for an Orthopedic Clinic in Lied Athletic Complex at UNLV. Mrs. Sparks seconded.

Upon questioning, Interim President Guinn stated that the University Orthopedics is donating time to help UNLV students and UNLV wishes to have equipment made available through the student health program to aid in this endeavor.

President Crowley indicated that the Orthopedic Clinic at UNR has been very successful.

Motion carried.

6. Accepted the Institution Budget Presentation and Approved the Use of Capital Improvement and General Improvement Fee Funds, UNLV

Interim President Guinn presented a report on the financial status of UNLV. He stated faculty and staff would be notified by letter of these findings. Several people have been working on this presentation over the past 5 weeks. He stated that he was aware that the work was not complete, but that UNLV needs to bring a closure to the ending balance by July 1, 1994 and to make future projections. It is not the intent to take all of any Department's funding. Dr. Guinn indicated that he has met with the students, Faculty Senate and many other entities, including members of the Board of Regents.

A copy of the report is filed with the permanent minutes.

The following are remarks made during the presentation:

UNLV has time to address the shortfall by the end of the budget year.

The Performing Arts Department uses fund accounting allowing for different accounts within the Department and for transfers to be made between these accounts, and often when this was done the balance of that account was not lowered.

The shortfall was in projection of student growth over the past 3 years.

The public perception was that UNLV was financially hurting due to the budget reduction and could not offer courses, therefore enrollments declined and there was a defacto capping of courses. However, UNLV continued to hire faculty based on projected enrollment increases.

In addition, the Community College offered more courses and attracted more students and the Community College enrollment continued to grow rapidly.

There was a 4% projected increase in enrollments and UNLV hired faculty based on that projection and were

bound by the signed faculty contracts. UNLV was eligible for 654 professional positions and hired 672. Although salary savings can be utilized for part-time faculty, the full-time positions should have been lowered to allow for this adjustment.

Under normal circumstances, Vice Chancellor Sparks stated that he would not have been alarmed by the projections; however, formula funding was suspended for this biennium and there was no precise method to calculate those needs.

Senior Provost John Unrue stated that former President Robert Maxson would frequently instruct former Vice President Buster Neel to find funding for faculty. No contract or offer was made to faculty without the approval from Vice President Neel. This process was not the responsibility of the Vice Chancellor for Finance and Administration.

It was reported that Vice President Neel did raise the issue of lack of funding for new hires several times, but did not have the power to refuse issuing position numbers for new hires.

Dr. Unrue stated that he was not prepared to place the fault of this budget shortfall on the UNLV Budget office, President Maxson or himself, although they all share equally in taking the blame for this occurrence.

The UNLV Officers were not all together privy to all the information. In looking at the magnitude of this situation, there are a number of factors that contribute to this shortfall and some factors are beyond the control of the UNLV Campus.

Mr. Graves stated that this difficult situation is certainly solvable, but it is of such a large magnitude.

The UCCSN is based on honesty and trust at each of the institutions. He indicated that he has been told it was due to the defacto capping of enrollments, when in fact it is now being stated it is due to over hiring. Although he is a proponent of centralized management, there needs to be checks and balances. UNLV and the students will be paying the price for this situation. Mr. Graves recommended that an analysis be conducted on the teaching load. He felt that the Board of Regents had been lied to and in order for him to perform his job as a member of the Board he must be

given accurate information.

Faculty have been shifting their responsibilities in order to take over support functions.

Although there was a hiring freeze placed on the UCCSN when the budget reduction took place, UNLV indicated that it met the legislative obligations, then lifted the freeze to rehire approximately 88 employees. The Legislature did allow for a few positions to be funded and restored. UNLV expended approximately \$3 million in staffing teaching positions.

Mrs. Berkley and Dr. Hammargren left the meeting. Dr. Guinn continued with his presentation and Dr. Hammargren returned to the meeting during the presentation.

UNLV will need flexibility to achieve a balanced budget.

The deficit for Performing Arts Center Operation accumulated over the last 6-7 years. The last internal audit performed was in 1989 which indicated a problem with a small deficit that was corrected. The audit did not detail the entire program. No paralleling account was

reduced to reflect the borrowing of funds.

Dr. Guinn has met with Rick Romito, Director of the Performing Arts Center, who has presented an outstanding report on how the Performing Arts Center would work to restore accountability in the Department. Dr. Guinn commended Mr. Romito and his staff.

Mrs. Whitney left the meeting.

The Performing Arts Center will be restructured and become part of the budget process. A formalized process will be followed when transferring funds between accounts and the Department will be held accountable.

Dr. Guinn indicated that he has personally reviewed the Department's books and reported that there was no evidence that a person took any money for themselves.

The Performing Arts Center had not been charging appropriately for its facilities because many items President Maxson was placed under extraordinary political pressure to give away the space.

Although the audit was performed on the Performing Arts

Center in 1989 and recommendations were adhered to by the Department, Mrs. Price stated that the process never gets to the level of the Board of Regents for policy changes. Mrs. Price referred to the waiver of liability insurance for the users of the facilities and the way it is handled. She felt that since it is an ongoing process, it should be reflected as a policy.

The Performing Arts Center is underfunded by the State, but is very much loved by the community.

Any money spent on legal expenses do not go into the funding for classroom education.

Dr. Hammargren left the meeting and returned during the presentation.

The combined totals presented by Dr. Guinn are as follows:

1993-94 State Budget Projected Revenue

Shortfall (1,304,127)

1994-95 State Budget Operating Shortfall (4,580,727)

1994-95 State Project Revenue Shortfall (1,617,075)

1993-94 Performing Arts Shortfall (343,000)

Historical Performing Arts Deficit	(1,504,798)
Anticipated Legal Fees	(1,200,000)
Total Shortfall/Deficit	(10,549,727)

Dr. Guinn recommended that UNLV seek Regents' authorization to utilize Capital and General Improvement Fees:

Utilize up to \$2,500,000 in Capital Improvement Fees.

Utilize up to \$1,350,000 in General Improvement Fees.

Dr. Guinn proceeded with the presentation and discussed the changes that would be made and summarized his presentation. Chairman Eardley thanked Dr. Guinn and his staff for the presentation.

Mrs. Gallagher moved approval to expend up to \$2,500,000 in Capital Improvement Fees and up to \$1,350,000 in General Improvement Fees to take care of the UNLV budget shortfall/deficit. Mrs. Sparks seconded.

Mr. Foley thanked Dr. Guinn for an outstanding presentation and stated that he appreciated Dr. Guinn's careful examination and proposed solutions. Mr. Foley stated that there is serious fault with the Regents, System Office staff,

Governor and Legislators. All are responsible for the \$41,300,947 shortage in the UNLV budget request over the last two bienniums, and \$127,534,281 Systemwide. The presentation given by Dr. Guinn reflects a \$10 million in short-fall/deficit that has accumulated over the years. Other institutifons have reported that they are reducing the course offerings, increasing faculty workload, and reducing faculty positions. This is taxing the faculty. Evidence shows that enrollments have topped out and are now on a decline. With the increase in tuition and fees, students are now being taxed. Mr. Foley stated that it has been reported that UCCSN has hit some hard times, Nevada is the fastest growing state in the United States, and the only western state with a sound and profitable economy. However, the leading industry realized a revenue increase in 1993 and 1992 of \$1.3 billion. The tax that was generated for that sales tax had to exceed over \$150 million. As Regents, the System Office staff, and the Presidents of the other 5 institutions, Mr. Foley stated that those entities are focusing on UNLV's situation and not the main problem.

Mr. Graves commended Dr. Guinn on his presentation but stated that he could not support the motion on the floor. He suggested that the motion incorporate President Guinn and

Vice Chancellor Sparks to come back to the Board of Regents

with recommendations on the following:

- 1) A process that will indicate to the Board when deficits are arising;
- 2) When new hires are given a budget number, an additional signature from the Chancellor's Office be on the documentation;
- 3) Self-report study on teaching load be developed so that everyone who teaches less than 10 hours will be recorded with a reason for the reduced teaching load;
- 4) The Chancellor's Office conduct an in-depth analysis of all self-supporting budgets; and
- 5) The Chancellor's Office work with the institutions to identify soft money and indicate how Regents can make adequate decisions on the utilization of soft money.

Mrs. Gallagher stated that she agreed with the suggestions made by Mr. Graves, but indicated that she did not wish to amend her motion. The presentation was given on UNLV's

shortfall/deficit issue, not the entire System's issues.

Although other institutions might need to be studied in the immediate future, the motion on the floor addresses UNLV's recommendation to handle its shortfall/deficit. The Board has been presented several choices and information for not allowing this situation to happen again throughout the System, but today's specific issue is to solve the problems at UNLV.

Dr. Derby agreed with Mr. Grave's amendment to the motion and did not wish to delay progress in addressing the short- and long-term issues. She stated that she was appalled that the blame for UNLV's shortfall/deficit is being placed on the Regents, when the members did not know anything about the situation until this time. She felt that the Chancellor's Office and the Regents' Audit Committee should be held more accountable. Dr. Derby thanked Dr. Guinn for his presentation and the plan he has set forth to reconcile the problem. His presentation has heightened the accountability surrounding the budget process. The public's trust is being jeopardized when public money is being inappropriately spent.

Upon questioning, Dr. Guinn stated that accounts will be

reviewed when the transfer of the Capital and General Improvement Fee Funds are utilized, and adjustments will be made such as limited maintenance throughout the institution. He assured the Board that these two accounts would be refunded at a later date.

Mrs. Price commended Dr. Guinn on his presentation and the presentation he made before the Audit Committee on June 14, 1994. She indicated that the Audit Committee has discussed the requirement for making reports to the Board of Regents and how problems are brought forward which should be implemented into policy. Mrs. Price stated that the Board of Regents has not taken seriously the gravity of this situation. Without persons such as Dr. Guinn and Jeff German, local newspaper reporter, the Board of Regents would have approved the operating budget without posing any questions. She stated that despite her conflict of interest with the motion, she would vote against the motion based on the principle of the matter. Dr. Guinn is requesting to utilize limited funds for this solution. She suggested that the other 6 institutions probably have the same kinds of problems as presented by UNLV and these should be reviewed next year. She disagreed with Dr. Guinn's statement that there was no place where he discovered wrong doing. It was

her understanding that the lack of reconciliation is of wrong doing.

Mrs. Price stated that when the System has a massive turn over in administrative personnel, it is good practice to conduct audits to protect the new hires and to protect the reputation of the incumbent. The perception is very important and this should be developed into a policy statement. She stated that all the institutions are dealing with bank account reconciliations, not just UNLV. She stated that the State Auditors will be conducting an audit of UNR and UNLV, and that the 1995 Legislative Session will be considering a bill draft to conduct an independent System audit. UCCSN must take a proactive stance before this should occur. The Board is allowing a precedent to be set by allowing reserves to be lowered in the Capital and General Improvement Fee accounts.

Mrs. Sparks questioned if the transfer of these funds would have to be made by June 30, 1994, and Dr. Guinn responded that UNLV has no choice but to abide by the law which states that State Agencies are not to have a negative ending balance. UNLV requests direction from the Board on this matter. He has requested to see the unreconciled bank ac-

counts, and noted that such reconciliations are not unusual.

There is only \$300,000 that has not been reconciled at this point in time. When these accounts are reconciled, they will be scheduled for reconciliation on a 30-day basis.

Dr. Guinn pointed out that the Board's philosophical reasons are not in line with what is actually happening. The Chancellor's Office employs 4 internal auditors with one of those auditors performing management duties, and there are 7 institutions, plus the School of Medicine, and the Extension Offices within the College of Agriculture at UNR.

He suggested the Board is totally unprotected with this arrangement and that there is a great need for additional internal auditors. He stated that he was more concerned about not having an EDP auditor than he was about the unreconciled accounts. He stated that he would discuss these issues with the Audit Committee at a later date.

Mrs. Sparks stated that she did agree with Mr. Grave's suggestions, but supported the motion as it stands. The Board needs to address the immediate problem at UNLV, then address the other issues suggested by Mr. Graves. She noted that each institution has similar but as unique problems as UNLV has presented. The Board needs to review its responsibili-

ties. The Board depends on the Chancellor's staff to submit information to the lay Board members, and the Chancellor's staff employs internal and external auditors. If inadequate information is being brought to the Board for consideration, then Mrs. Sparks felt that additional staffing is needed.

Mrs. Sparks suggested that the policies may need to be revised and expanded in order to hold each institution accountable.

Dr. Hammargren stated that he would support the motion and authorize Dr. Guinn to move UNLV forward. The Board has paid for mismanagement in the past and Dr. Hammargren pointed out that he started asking pertinent questions about management in 1991. He agreed that there is a need for more internal auditors. He stated that UCCSN is paying for sins of the immediate past and must look for a better management system for the future.

Interim Chancellor Richardson stated that he supported the motion, but found it ironic that no one had asked the Chancellor's staff whether they supported the motion or UNLV's position. It is worth noting that for himself and the Presidents of the other institutions, the Board has heard a lot on the process for accounting and auditing, but

there are 6 institutions and the Chancellor's Office that are not before the Board, who have balanced their budgets and who also are struggling with inadequate resources to bring the budgets back into balance for the second year of the biennium. Dr. Richardson stated that those 6 institutions and the Chancellor's Office are not before the Board to make a similar presentation as UNLV just presented. He agreed that there are problems at UNLV, and more attention needs to be paid on the auditing and control functions.

Dr. Richardson continued that historically, what UCCSN has done is not unusual in higher education, in fact, the Board has delegated tremendous responsibility to the Presidents in a number of areas, including the budget, and the Board holds that one person accountable. One of the things that must be taken seriously is the public's trust that the Regents, as a governing board, has placed accountability in its Chancellor. Dr. Richardson stated that he works very hard not to betray that trust.

As Interim Chancellor, Dr. Richardson stated that he has met with the Chancellor's staff and has discussed public funds and the importance of accurately spending those funds. He stated that he monitors the Chancellor's Office budgets very

closely and noted that the Chancellor's Office is balancing its budget.

Dr. Richardson stated, with regret, that the Board's trust, faith and confidence had been ill placed at UNLV, and Interim President Guinn and his staff are now having to rectify the situation.

Dr. Richardson emphasized that the Board should not lose sight that there are 6 other institutions and the Chancellor's Office that are not before the Board at its last meeting of the fiscal year, requesting to balance the budgets. These institutions have performed their job, and should be commended, although that is their responsibility. However, these institutions should not be condemned and the Board should not over react and drag in other functions to solve one institution's problem.

Mrs. Price opposed. Motion carried.

The open meeting recessed at 12:05 P.M. and reconvened at 1:06 P.M. Thursday, June 23, 1994, with all Regents present except Regents Berkley, Graves, Hammargren and Klaich.

7. Information Only: Report on Bank Reconciliation

Deputy Treasurer Janet Mac Donald presented a report on the UCCSN bank reconciliation process. See Ref. F, filed in the Regents' Office. She stated that the bank reconciliations will be completed soon and UNR's bank reconciliations have been completed up to May 1994. With the recent implementation of the CUF5 and SIS programs, there are a whole new set of rules regarding bank reconciliations. The implementation of these programs have now required the top personnel to perform the bank reconciliation duties by hand until the "bugs" are out of the system. She stated that now these top employees are not able to perform other duties as assigned because of the bank reconciliation duty. The Controller's staffs at each institution are over-burdened.

Mr. Graves returned to the meeting.

8. Approved Institution Reorganization, TMCC

Approved the reorganization for TMCC, as contained in Ref. E., filed with the permanent minutes. A copy of the presentation is filed in the Regents' Office.

President Gwaltney gave a brief historical overview of the organizational structures at TMCC. Over the years TMCC has conducted internal surveys on how the institution should be structured resulting in two different reorganizations.

These reorganizations were changed in light of the instructional administration; however, at this time, TMCC is engaged in collective bargaining, and the Administration recommends the organizational structure be amended once again to help relieve the confusion of the management at TMCC.

President Gwaltney explained he is aware that there is disagreement at TMCC on this issue, that it is a very emotional change for some employees, but he hopes that this change will not be taken personally by any staff member.

Dr. John Scally, Vice President of Academic Affairs, reviewed the cost structure and estimated that it would cost TMCC \$108,570, which includes one new administrative position to be funded. By streamlining and downsizing the administrative level, TMCC would become a most cost effective organization.

Mrs. Berkley and Dr. Hammargren returned to the meeting.

Dr. Caesar Naples, UCCSN consultant, addressed the Board of Regents and spoke in favor of the proposed re-organizational structure. He explained that collective bargaining tests the structure and decision making process of any unit that partakes in collective bargaining and these decisions tend to become the focus of bargaining and grievance procedures. Contracts must be carried out and enforced, therefore, the organizational structure becomes very significant in the process. He explained that when there is a collegial environment the organizational structure allows for more flexible shared governance structure. However, once an institution has collective bargaining the institution becomes contracted with the bargaining agent and must be faithful as spelled out in the collective bargaining agreements. The decisions made at TMCC now will set a precedence for any future negotiations. This proposed change represents good faith in being able to carry out collective bargaining at TMCC.

Mr. Graves moved approval to accept the reorganization structure at TMCC. Mrs. Gallagher seconded.

Mrs. Price requested that this issue be postponed and that TMCC consider other models of management such as Total Quality Management, or until the management of TMCC should become a problem. TMCC should take this opportunity to address decision making and to look for a new model that will be progressive and not adversarial. She stated that philosophically she disagreed with the proposed change.

Dr. Naples stated that he shares many values with TQM, but TQM decentralization does not work when administering collective bargaining agreements.

The following persons spoke against the proposed reorganizational structure at TMCC:

John Coles, Faculty Senate representative

Candace Kant, NFA President

John Yarnevich, TMCC Instructor and Vice Chairman of
the TMCC Faculty Senate

President Gwaltney noted the issues that did not have any bearing on the reorganization that were brought forth by those in disagreement and stated that he would respond in writing to each Regent on those issues.

Dr. Hammargren stated that he opposed the proposed reorganization because of the faculty perception that this is not an action in good faith under the collective bargaining issue.

Chairman Eardley stated that the Board delegates certain responsibilities to its Administrators to make decisions. It is the Administrator's prerogative to propose structural changes for the institution.

Interim Chancellor Richardson recommended this reorganization for Board approval. It is not a surprise that the Nevada Faculty Alliance opposes this change. He explained that at the outset, those who advocated collective bargaining stated that it would not be adversarial, but it does turn out that way throughout the process. There is no perfect way to organize higher education institutions; there are many different ways used throughout the country. From the management's standpoint other issues could be brought up in disagreement with NFA's stance, but this is considered the best way to organize TMCC at this time. The issue has been thoroughly discussed by the Chancellor's staff, TMCC's Administrators, and the Collective Bargaining consultant. All entities are in agreement for this change.

Dr. Derby stated that she had chaired a committee that worked on improving faculty relations with Administration and felt the committee made significant strides. She stated that now she felt that some ground has been lost in that effort and TMCC has become adversarial within UCCSN's organization. She stated that she would support the recommendation and motion, although she is a strong proponent of shared governance and TQM.

Mr. Foley urged the Board to postpone this decision until collective bargaining concludes. There is an insinuation that the TMCC faculty involved in collective bargaining are now less dedicated and less trustworthy and this should be taken into consideration.

Regents Derby, Gallagher, Graves, Sparks, Whitley and Eardley voted in favor of the motion. Regents Berkely, Foley, Hammargren and Price voted against the motion.

Motion carried.

Mr. Graves left the meeting.

9. Approved Bylaws, University of Nevada Physicians

Incorporated, School of Medicine

Approved the Bylaws of an organization known as the University of Nevada Physicians Incorporated of the University of Nevada School of Medicine. The organization brings together into a single unit the several previously existing corporations established, Department by Department, to implement the School's practice plan. This plan, developed in 1979, has been effective in assuring practice opportunities to clinical faculty members and in providing additional funds to the School. The plan will remain in effect. However, with major changes in the health care delivery system occurring and impending in Nevada and nationwide, a new organizational format is needed. The proposed bylaws, filed in the Regents' Office, describe that format and have been reviewed by the General Counsel and the Interim Chancellor.

Mrs. Price and Mr. Foley left the meeting.

Mrs. Gallagher moved approval of the School of Medicine's University of Nevada Physicians Incorporated Bylaws. Mrs. Sparks seconded.

Mrs. Gallagher stated that she thought this was a good move

on the part of the School of Medicine and the physicians.

Dr. Hammargren added that he supported the concept.

Motion carried.

The open meeting recessed for a short break. All members were in attendance upon reconvening the meeting except Regents Foley, Hammargren, Klaich and Sparks.

10. Approved the Appointment of Vice Chancellor for Finance and Administration, UCCSN

Approved the appointment of Dr. Thomas K. Anderes, to the position of Vice Chancellor for Finance and Administration (designee), effective on or about September 1, 1994 with an initial contract of 3 years (September 1, 1994 to August 31, 1997) at an annual salary of \$114,400 from contingency reserves (for FY 1994-95), paid on a monthly basis, and prorated to his starting date. Dr. Anderes will also receive the appropriate fringe benefits provided professional employees of the UCCSN and moving expenses from Storrs, Connecticut to Reno, Nevada as negotiated by Interim Chancellor Richardson.

Mr. Foley returned to the meeting.

Mr. Graves moved to accept the recommendation to appoint Dr. Thomas K. Anderes to the position of Vice Chancellor for Finance and Administration. Mrs. Whitley seconded. Motion carried.

11. Discussion on Western Athletic Conference, UNLV

Interim President Guinn discussed the offer to accept the Western Athletic Conference's (WAC) invitation for UNLV to come a member institution of the conference. He informed the Board that since initial discussions with the WAC, conditions of the offer have changed.

The Western Athletic Conference is demanding that by August 1, 1994, UNLV will pay \$75,000 for an entry fee; \$58,000 for a membership fee; and \$600,000 as a cash advance on deposit through 2001. UNLV is seeking clarification from the WAC and is seeking information from the other Universities who have been invited to join the WAC to see if there is any objection to these requirements. At this time, Dr. Guinn stated that he has not received a proforma on this organization which he has requested along with

their audited statements and contracts.

Dr. Guinn requested that the Board of Regents allow UNLV to continue its inquiry and then be given an opportunity to come before the Board for final approval.

Mr. Foley moved to accept the invitation to join the Western Athletic Conference, subject to Interim President Guinn and Athletic Director Jim Weaver to negotiate a contract with the Western Athletic Conference League that is appropriate and applies to all invited schools. Mr. Graves seconded.

Dr. Guinn stated that he is very supportive of UNLV accepting the invitation to join the WAC, but this endeavor cannot cost UNLV any more money.

Athletic Director Jim Weaver stated that he was very pleased to receive this invitation. On June 10, 1994 a conference call was held in which UNLV learned of the financial ramifications as stated above. The other schools were also alarmed to learn of the ramifications. UNLV will wait to see if these conditions change. The only sports that would compete in a league championship are men's football, basketball and baseball, and women's basketball and softball.

Dr. Hammargren returned to the meeting.

Mrs. Berkley stated that she would not vote on the motion and felt that this item should not have been placed on the agenda for consideration at this time. If this item is important enough then it could warrant a special meeting of the Board of Regents when details are finalized.

Mr. Weaver concurred with Mrs. Berkley's statements and explained that the item was placed on the agenda because WAC needed a response by July 1, 1994. However, UNLV has found itself not agreeing with the financial requirements.

A lengthy discussion was held regarding the financial requirements, acquiring a WAC proforma, other schools possibly boycotting the invitation, and negotiating to reduce or eliminate the \$600,000 requirement.

Interim Chancellor Richardson stated that the reason this issue has come before the Board is stemming from his comment made under "Public Comment" at the May 18-20 Board of Regents' meeting. Now that the issue is an actual agenda item, he suggested that the Board focus on the motion to

authorize the negotiations.

Mr. Graves requested that the Board of Regents mandate that UNR and UNLV continue to compete against each other in men's basketball and football.

Mrs. Berkley stated that she did not want to deal with an organization that is making these additional requirements upon acceptance to join its conference. She suggested that UNLV negotiate for an extension to August 25-26, 1994 when the next scheduled Board of Regents' meeting is to be held.

Mrs. Berkley and Mrs. Price opposed. Motion carried.

Mrs. Berkley and Dr. Hammargren left the meeting.

12. Approved Resolution: Bank Loan, NNCC

At the December Board of Regents meeting, NNCC received approval to solicit proposals for a short-term (5 years) bank loan of up to \$600,000 to provide the balance of funds necessary to begin construction of a facility in Ely. This facility is to be funded with a combination of a federal

EDA grant, student capital improvement fee funds and NNCC Foundation funds. Proposals for this short-term loan were reviewed on June 22, 1994 with a resolution awarding the successful proposal.

Vice Chancellor Sparks recommended Bank of America Nevada be awarded this short-term loan at 6.35% (Resolution #94-2).

Mr. Graves moved approval to award Bank of America Nevada the short-term loan at 6.35% to construct a facility in Ely for NNCC. Mrs. Gallagher seconded.

Vice Chancellor Sparks stated that this is a 5-year loan that would be paid back with a majority of NNCC Foundation pledged revenues with the balance to come from student Capital Improvement fees.

Motion carried.

Mrs. Berkley returned to the meeting.

13. Approved Salary Recommendations for Biennial Budget 1995-97

Approved the recommendation of the UCCSN Compensation Com-

mittee for salary recommendations for the 1995-97 biennium.

The recommendations are: 11.9% effective July 1, 1995 and an additional 4% to be effective July 1, 1996. These increases are intended to compensate UCCSN professional employees for cost of living increases since the last salary increase that went into effect October 1, 1991, and for projected cost of living increases through the next biennium. Ref. H. is filed in the Regents' Office.

Vice Chancellor Sparks indicated that this recommendation would fall under the priority requests for professional salary and benefit request, and the cost is approximately \$42 million over the biennium.

Mrs. Gallagher moved approval to accept the salary recommendations for the 1995-97 Biennial Budget. Mrs. Sparks seconded.

The priorities have already been approved by the Board and Vice Chancellor Sparks indicated that this recommendation falls under the second priority in the request. Priority one is to restore funding to the Base Budget and provide for projected growth. This salary recommendation is made to attempt to restore the faculty's purchasing power that

has been lost since 1991. Funds were not available since that time to provide for salary increases. Mr. Sparks indicated that this request for \$42 million is only a part of the priority requests that UCCSN will seek from the next Legislative Session.

Motion carried.

14. Approved Board of Regents' Minimum Academic Requirement for Continued Eligibility of Student Athletes

Approved the minimum academic requirements for continuing eligibility of student athletes, as contained in Ref. G, filed in the Regents' Office.

Interim President Guinn explained the academic requirements that are being proposed and indicated that these requirements do exceed the NCAA requirements for eligibility of student athletes. President Crowley stated that he was in support of academic requirements for student athletes.

Mrs. Gallagher moved approval of the Board of Regents' Minimum Academic Requirement for Continuing Eligibility of Student Athletes. Mrs. Berkley seconded.

Dr. Guinn explained that these are only minimum requirements and the standards at each of the institutions could exceed these minimum requirements.

Motion carried.

15. Approved the Appointment of Interim President, CCSN

Approved the appointment of David Hoggard, Jr. as Interim President of the Community College of Southern Nevada until such time as the permanent President takes office. The Interim President's salary will be \$92,852 with full employer-paid retirement. The Interim President will also receive an annual automobile allowance of \$6000 and access to the use of an annual host account of \$5000. The salary and automobile allowance will be pro-rated to the period Mr. Hoggard serves as Interim President.

Mrs. Whitley moved approval of the appointment of David Hoggard, Jr. as Interim President of CCSN until such time as a permanent President takes office. Mrs. Price seconded.

Mr. Hoggard extended his appreciation to the members of the

Board for this appointment. He stated that he looked forward to working with the faculty and staff at CCSN for the education of the students during this transition period.

He mentioned that over the past several years, he had held different positions, such as the Interim Vice President of Academic Affairs, and came to know the faculty and staff who had supported him in those roles. He stated that he felt they would continue to support him during this period.

Mr. Foley left the meeting.

16. Information Only: Biennial Budget: Priority Request

Vice Chancellor Sparks presented a progress report on the development of priority requests for new funding for the UCCSN 1995-97 Biennial Budget as an information item.

Vice Chanceldlor Sparks reviewed the UCCSN Priority Requests for New Funding and gave approximate costs to each category.

PRIORITY

- I. Restore funding to the Base Budget and provide for projected growth (\$56 million)

(a) Full funding of the Instruction Formula using student/faculty ratios approved by the 1991 Legislature

(b) Provide 50% of the difference between full funding and the funding provided in the adjusted base and program maintenance budgets for formulas adopted in 1986 by the Legislative Committee Studying Funding of Higher Education (LCB 87-30)

(c) Provide 50% of the difference between full funding and the funding provided in the adjusted base and program maintenance budgets for legally authorized grants-in-aid

UCCSN Strategic Directions

II. Enhancing the quality of undergraduate and graduate education (\$135.3 million)

(a) Professional salary and benefit request (\$42 million)

- (b) Increase part-time salary allotment for
Community Colleges

- (c) Increase letters of appointments for Uni-
versities

- (d) Increase professional merit to 2.5% and in-
clude exempt positions

- (e) Fund final 50% for support formulas, gradu-
ate assistant formula, equipment replacement
formula and library formula

- (f) "One-Time" requests for "State of the Art"
equipment

- (g) "On-Going" costs for Academic Computing

- (h) "One-Time" and "On-Going" costs for Infor-
mation Network

III. Enhancing access and diversity in public post-
secondary education (\$9 million)

(a) Distance Learning

(b) Matching funds for improving Student Access

IV. Promoting the Economic Health and Growth of the

State (\$20.6 million)

(a) Economic stimulation through research (\$8.4 million)

(1) EPSCoR matching funds

(2) DRI research requests

(3) Indirect Cost Recovery funds

(4) Research computing

(5) University Press

(b) Economic Stimulation through Partnerships

(\$12.2 million)

(1) Business and Industry programs

(2) K-12

(3) School of Medicine

V. Improving Accountability (\$8 million)

(a) Audit program

(b) Management Information System

(c) Statewide TQM Initiatives

VI. New Programs (\$6.7 million)

Vice Chancellor Sparks indicated that the total amount of funding for the priority requests is approximately \$235.6 million over the biennium. This reflects a 61% increase over the current biennium budget. Some requests are only one-time requests. Factoring out the one-time requests the on-going costs call for an increase of approximately 48%.

Dr. Derby stated that she was surprised to see the support formulas as low as Priority II.(e) and felt that UCCSN needs full funding for this category. Mr. Sparks indicated that the Board had indicated that restoration of the funding to the Base Budget and provision for projected growth was their number one priority and included in Priority I is a provision for restoration of 50% of the support formula funds.

Mrs. Berkley added that increasing part-time faculty salaries at the Community Colleges is also a very major issue.

Mr. Sparks reminded the Board that they had approved a pay increase for full- and part-time faculty, and pointed out that the part-time salary increase is Priority II.(b).

Mrs. Price stated that these priorities are presented to the Board every biennium and she was hopeful that Dr. Anderes might be able to explain how this type of presentation would be realized. The year end statements should indicate what has been accomplished throughout the year.

In regard to Mrs. Price's comments, Interim Chancellor Richardson reminded the Board that Nevada was considered the fastest growing higher education system in America. The more students there are, the more it costs. When the Legislature made its appropriation in 1991, and then requested UCCSN to return funds, UCCSN appropriately reduced the cost of higher education throughout the System. He questioned Mr. Sparks in that when dollars are put against all these priorities and then brought back to the Board, it does not necessarily mean that the Board approved the priorities and the funding for the priorities. Mr. Sparks responded that he has pulled together all the priorities

and has given an estimated value, and when the draft budget is presented for consideration, the Board will make the final decision. Dr. Richardson stated that the Board is not locked into the salary request and would be able to make changes to the draft budget.

In response to Mrs. Price's comments, Mrs. Sparks stated that the institutions have reduced their budgets accordingly and UCCSN was proud to go before the Legislature and report that UCCSN is achieving more with less, especially at the Community Colleges. The cost savings are a result of the budget reduction and the concern is for UCCSN to be able to maintain quality education. UCCSN should not focus on cost cutting and ask its faculty to sacrifice any longer.

Interim President Guinn observed that University employees are also considered State employees when allocated cost-of-living increases; therefore, he strongly suggested that UCCSN go forward with its request of \$42 million for the professional salary and benefit request.

Mrs. Price responded to both Mrs. Sparks and Dr. Richardson in that she was not suggesting that the budget be further reduced, but that UCCSN should bring forward a statement

which would be in line with the budget on what UCCSN is going to specifically accomplish with the priorities, not just that UCCSN is going to increase its budget, but that quality of education is going to be addressed. The end result should be measurable. It would probably cost more initially, but it would be more accountable.

Dr. Guinn stated that K-12 is allowed to carry over funds between its fiscal year budgets, and the Board of Regents should consider going before the next Legislative Session requesting that UCCSN also be allowed to utilize its balances as a contingency reserve of approximately 4%. UCCSN must turn back its reserves if not utilized.

Dr. Derby left the meeting.

17. Approved Professional Salary Recommendations for 1994-95

Interim Chancellor Richardson presented the professional salary recommendations for 1994-95, which are filed with the permanent minutes. The following are the 3 components presented to the Board:

A. Information regarding Campus Deans and executive staff

salaries were presented to the Board of Regents for review. In accordance with Regents' policy, no action is required.

B. Interim Chancellor Richardson recommended the levels for institutional Presidents for the 1994-95 academic year.

C. Interim Chancellor Richardson recommended the merit and equity adjustments and salary levels for staff who are responsible to the Chancellor.

Mrs. Gallagher moved approval of the Presidential salaries for 1994-95. Mrs. Sparks seconded. Motion carried.

Dr. Richardson explained that he is recommending an equity adjustment for Mrs. Karen Steinberg to correlate with the first quartile of the salary study for a Vice Chancellor of Academic Affairs position.

Mr. Graves stated that he did not understand the rationale for not increasing the Presidential and Chancellor staff salaries, and Dr. Richardson responded that 1) he was uncomfortable in recommending an increase for himself, and 2) there are limited funds available throughout the System.

Dr. Richardson recommended merit increases for Susan Baker (5%), Don Zitter (2%) and Tom Radko (5%). The Department of Education has agreed to fund 1/2 of Mr. Doug Burris' salary for the next two years. Mr. Burris has indicated that this will probably be his final year in working with the System, and he will aid in the recruitment for this position.

Mrs. Gallagher moved approval of the professional salaries in the System Administration Office for 1994-95. Mr. Graves seconded. Motion carried.

Chairman Eardley stated that there are meritorious employees in the System and the reason why they were not given merit is due to the Legislature not appropriating enough funds for the merit pool. He felt that it would be appropriate to take a closer look at the merit pool. These employees are working very hard for the System. Chairman Eardley stated that AGB has issued a salary report and UCCSN is not too far off of those reported salaries.

The open meeting recessed at 4:25 P.M. and reconvened at 9:05 A.M. Friday, June 24, 1994, in a joint session with the State

Board of Education. The regular session of the Board of Regents' meeting reconvened at 10:00 A.M. with all Regents present except Regents Foley, Graves, Hammargren and Klaich.

18. Approved Executive Salary Policy

The Board of Regents adopted executive salary schedules at its May 1994 meeting contingent on the development of an executive salary policy. A copy of those schedules and the policies adopted by the Board in October 1993 regarding executive salaries is contained in Ref. I, filed in the Regents' office. Staff in the Chancellor's Office have developed the following additional proposed policy to meet concerns expressed at the May meeting:

Initial Placement and Movement

Placement for executive positions will be made within the range for that position as reflected in the Board approved salary schedule. Placement should be based on factors such as prior experience, appropriate credentials, length of service, and quality of performance.

Initial placement of a new hire on the salary schedule will generally fall between the minimum salary and Q2,

except for those initial hires with substantial experience and or credentials relative to the position. Recommendations for initial placement at a level higher than Q2 must be accompanied by written justification and evidence of substantial experience and/or credentials relative to the position.

In addition, the following additional criteria will apply to executives at the Community Colleges and the Desert Research Institute:

1. Community Colleges: Executive salaries at NNCC and WNCC generally should not exceed the median (Q2) of the Board approved range for that position.

Recommendations for placement of an executive from these institutions at a level higher than Q2 must be accompanied by written justification and evidence of unusual circumstances.

2. Desert Research Institute: In general, the salary paid to the President of DRI should not exceed that of the Chancellor or the Presidents of the 2 Universities and the salaries paid to the Vice Presidents and Executive Directors at DRI should not

exceed those paid to similar executives at the 2 Universities. Recommendations for placement of an executive from DRI at a level higher than those previously described must be accompanied by written justification and evidence of unusual circumstances.

The salary schedules and Board adopted policies will be added to the Board of Regents Handbook, Chapter 3.

Upon questioning, Interim Chancellor Richardson explained that there is no written policy that requires the Chancellor's position to be paid higher than the President's position.

In the case of a long-time President with a high salary and a new Chancellor, it will be a decision of the Board to designate the salary for the new Chancellor within the salary range. However, Dr. Richardson pointed out that organizationally the Chancellor's position should be paid a higher salary than any of the Presidents, since the Presidents report directly to the Chancellor.

Mrs. Whitley moved approval of the Handbook addition regarding the executive salary policy. Mrs. Sparks seconded.

Motion carried.

19. Approved 1994-95 UCCSN Operating Budget

Approved the UCCSN Operating budget, which is filed in the Regents' Office. Vice Chancellor Sparks highlighted the Operating Budget and stated that the State-Supported Operating Budget totals \$259.5 million. This compares to \$254.3 million for the 1993-94 fiscal year and represents a 2.1% increase in the authorized funding level.

State appropriations for fiscal year 1994-95 amount to \$194.4 million representing 74.9% to the State-Supported Operating Budget. This compares to \$194.2 million for fiscal year 1993-94 and represents a .1% increase.

Other revenue sources budgeted in the State-Supported Operating Budget for fiscal year 1994-95 total \$65.1 million, representing 25.1% of the State-Supported Operating Budget. This compares to \$60.1 million for fiscal year 1993-94 and represents an 8.3% increase.

Student fees for fiscal year 1994-95 represent approximately 19.5% of the total revenue. This compares to 18.0% for

fiscal year 1993-94 and represents a 10.8% increase in students fees budgeted in the Operating Budget. Included in the 1994-95 Operating Budget is an increase in the Universities non-resident tuition from the fiscal year 1993-94 level of \$4300 per year to \$4750 per year effective Fall semester 1994. Registration fees for University students increased by \$2.50 per credit to \$58 per credit for FY 1994-95. Graduate registration fees for University students increased by \$3.50 per credit to \$81 per credit for FY 1994-95. Registration fees for the Community Colleges increased by \$1.10 per credit to \$30.50 per credit.

An amount equal to 1/2 of the registration and tuition fee increases is budgeted for student financial assistance for improving access to higher education per Board of Regents policy.

Registration and tuition fees for the School of Medicine increased by approximately 8.4% over fiscal year 1993-94.

Upon questioning, Vice Chancellor Sparks explained that the second year of the biennium is based on projected enrollments. Enrollments were projected at 6% and last year's enrollments declined by 1.3%. Therefore, the second year

budget is based on an enrollment figure which will not likely be realized.

Vice Chancellor Sparks summarized the 1993 legislative actions that are included in the 1994-95 UCCSN Operating Budget, as follows:

Professional merit pool of 2% for eligible positions and regular step-progression increases for eligible classified positions. There are not cost-of-living increases for the 1993-95 biennium.

Partial salary and operating expenses for new facilities which will be operational during the 1994-95 fiscal year.

Mandatory vacancy savings for professional and classified positions at 1% and 3% respectively in the instructional budgets and at 2% and 3% respectively in the non-instructional budgets.

Ongoing support costs of the Management Information System, funded by the 1991 Legislature. (Computing Services Budget)

Continuation of the Genetics Network Program initially funded by the 1991 Legislature. (School of Medicine Budget)

Estate tax funding for the EPSCoR program, the Student Incentive Grant (SIG) program and one-shot equipment acquisitions in the UCCSN Special Projects budget.

Estate tax funding also for library book acquisitions in the instructional budgets. (Universities and Colleges)

Re-establishment of the unemployment compensation assessment against payroll at the rate of .22%.

There are no inflationary adjustments over prior year costs.

All formula funding methods suspended and not funded for fiscal years 1994 and 1995; includes the instruction function formula and support services formulas.

Vice Chancellor Sparks stated that revenues are built on a projected level of growth which will not be realized. The

institutions have anticipated this and have made adjustments.

Mrs. Price questioned why some individual groups, such as senior citizens, are not being calculated in the enrollment projections, and Mr. Sparks responded that a study is being conducted and a report will be forthcoming in the near future on all special enrollment programs.

Mrs. Price informed the Board that a congressional hearing was held to address indirect cost recovery that is being charged to donated funds and it was her understanding that UCCSN does not conduct its business in that fashion. President Crowley explained that indirect cost recovery is an overhead cost on federal grants. This proposal was reviewed and UCCSN did not feel it was necessary, although, a handling charge is incorporated for the processing of donations, staff time, etc. This handling charge is reviewed periodically.

Mrs. Price questioned the amount of UNR's total budget as derived from its Foundation, and President Crowley responded that \$175 million has been received in donations to the UNR Foundation and over the last two years the University

has received \$15-16 million. UNLV Senior Provost John Unrue responded that UNLV has received \$17-18 million from its Foundation.

It was explained to Mrs. Price that foundations have very little discretionary money, most donations are earmarked for certain programs. These restricted categories include scholarships, capital improvement funds, professorships, equipment, etc. Mrs. Price then suggested that UCCSN should reconsider redirecting the indirect costs.

Mr. Graves entered the meeting.

Mrs. Price questioned why the enrollments were declining, and Mr. Sparks responded that the institutions will be identifying issues for this occurrence to the Chancellor who will then submit these explanations to the next Legislature. Due to the formula funding methods being suspended it has caused a decrease in faculty, reduction in class offerings, and defacto enrollment caps.

Mrs. Price questioned how many students were turned away, and it was explained to her that there is no absolute way to obtain this information due to the telephone registra-

tion procedure. Interim Vice Chancellor Steinberg stated that UCCSN will continue to review this issue. Since the new telephone registration procedure has been incorporated UCCSN has lost its ability to track students who are not able to get into classes. Dr. Derby stated that this was critical information for the Board and encouraged the Chancellor's staff and the institutions to develop a way to track these students.

Upon questioning, Interim Vice Chancellor Steinberg indicated that a report will be made at the August Board of Regents meeting on the allocation of the financial assistance program.

Mrs. Gallagher left the meeting.

Mr. Graves moved to accept the 1994-94 UCCSN Operating Budget. Mrs. Sparks seconded.

Vice Chancellor Sparks indicated that there are no deficit self-supporting budgets being submitted for Regents' approval.

Mrs. Gallagher returned to the meeting.

Mrs. Price questioned how transfer of funds are made, and

Mr. Sparks responded that State-supported transfers can only be made within the budget, but not between the budgets.

Dr. Hammargren entered the meeting but soon left again.

Mr. Graves posed several questions regarding the self-supporting budgets, and requested that this process be reviewed and that institutional controls may need to be implemented.

Mr. Foley entered the meeting.

Motion carried.

20. Authorized Coordination of UCCSN Bill Draft Request for 1995

Authorized Vice Chancellor Sparks to coordinate the UCCSN Bill Draft Requests for 1995 State Legislative Session.

Vice Chancellor Sparks reported on the requests that have been made to date:

1. Request to conduct an interim study on funding of higher education. The bill will be patterned after the 1985 bill draft and will include those entities that performed the study in 1985.

2. Request that the TMCC Applied Science Center be able to convert to a revenue bond from a short-term loan. A report will be made at the August Board of Regents' meeting on this matter.

3. Request to retain unexpended General Fund revenue at the end of the fiscal year.

Mr. Graves moved approval to authorize Vice Chancellor Ron Sparks to coordinate the bill draft requests for the 1995 Legislative Session. Mrs. Gallagher seconded.

During the discussion, Vice Chancellor Sparks was asked to explain who the "exempt employees" are, and he stated that there is a pool of funds for professional merits, except for the exempt group of Deans and above, which are not funded with State funds. Interim President Guinn stated that these exempt employees work very hard for the System and UCCSN should not allow its middle management to go

without salary increases, while other employees are receiving increases.

Motion carried.

21. Information Only: Public Comment

Chairman Eardley requested President Crowley to give an update report on UNR Men's Track and Field program. President Crowley reported that he had met with Mr. Rick Trachok and UNR Athletic Director Chris Ault regarding the reinstatement of the Men's Track and Field program at UNR. Subsequent to that meeting, Mr. Ault met with Mr. Trachok and explained in detail the general equity requirements and the objectives which UNR was obligated to meet. It is President Crowley's understanding that Mr. Trachok now has a better understanding of the issue, although he still disapproves of the elimination of the program, but he did agree that once the objectives are achieved UNR should reconsider the program. A background paper was prepared and has been sent to all who have been concerned, including the members of the Board.

Upon questioning, President Crowley indicated that it would

probably take approximately 3-5 years to achieve gender equity at UNR, before this program could be reinstated.

President Crowley explained that current track and field student athletes will receive their scholarships for one more year and the students would be able to compete around the country as independent athletes, rather than institutional athletes.

As the NCAA President, President Crowley explained the NCAA's position which is to subscribe to the federal mandates. NCAA goes beyond these mandates for emerging women's sports to become recognized NCAA sports. The NCAA has an information clearing house at its headquarters which develops creative ways to solve such problems. NCAA is on record with the federal law requirements and has encouraged institutions to do the same. The main issue regarding this federal mandate is for these institutions that have a football program. Football programs enlist great numbers of male athletes and the women's programs have a difficult time in matching those numbers. The 55/45 participation rate allows for institutions with football programs. Football programs generate financial support for other athletic programs and NCAA recognized this and es-

established the participation rate to meet the Title IX requirements.

Mrs. Sparks stated that this rationalization was difficult to understand and it seemed that both genders were being penalized at institutions with football programs. She continued by stating that the UNR student athletes will be able to continue on scholarship funds, but will lose their ability to go to school because they will have to find independent coaches and pay entrance fees to compete at various track and field events.

President Crowley responded that Reno's community does have track clubs and track and field could become a club sport at UNR. He pointed out that public institutions cannot afford to operate all sports.

Mrs. Price stated that she was aware of initiatives around the country that are conducting long-range planning within the State in exercising various sports and linking higher education with K-12 regarding sports programs. This should help in anticipating Statewide sport interests. President Crowley responded that this collaboration between K-12 and higher education has been developed on a national level,

and locally Nevada is in its early stages in this effort.

Regents Sparks and Whitley left the meeting; Dr. Hammargren returned to the meeting.

President Crowley stated that he agreed with the collaborative effort, and that the linkage and interests should be studied. He continued to state that UNR is experiencing its first round participating in the NCAA program for Division I institutions. There are a series of standards, and the commitment to equity standards is a major standard that has become a planning process. In relation to this, a Campus-wide peer review self-study has been completed.

Mr. Foley indicated that UNR has eliminated the Men's Track and Field program, but has not eliminated the opportunity for the student athletes to complete or receive their scholarships. He questioned how these athletes could afford the travel expense and living expense while attending week-long meets, and if the NCAA would permit boosters to finance track and field at the institutions. He stated that Men's Track and Field was being victimized because of the lack of revenue it produces, and that no one has considered what track and field has done for these athletes over the years.

He questioned if track and field had become so archaic and worthless to the College System and athletic program because it does not produce sufficient revenue and utilizes revenue from the football program. Mr. Foley questioned President Crowley on how UNR arrived at the decision to eliminate the program, and President Crowley responded to his previous remarks by stating that the track and field is no longer an intercollegiate sport at UNR, but it may be considered as a club sport. The program can solicit financial assistance from any party it wishes. The athlete can attend "all comer" meets as an individual rather than as a member of a club team, but would not be considered an intercollegiate competitor. Some individual sports at UNR are boxing and bicycling. These sports are not part of the UNR athletic program and do not have to abide by the NCAA rules and regulations. They can obtain funds from wherever, recruit whomever, and spend however.

President Crowley continued to respond to Mr. Foley's remarks by stating that the elimination was not based on the revenue it brought into UNR's athletic program. There are only two revenue producing programs at UNR: men's football and basketball. These two programs support all the other sports. The question was raised on how to meet the fi-

nancial constraints that the athletic program is experiencing and will continue to experience, and meet the Title IX requirements as set forth in the regulations under case law in terms of the participation opportunities, scholarship allocations and sports budgets. These issues were reviewed and it was considered to just add more women's sports to the program, but there is no funding for this idea. The only money to do this is by utilizing substantial scholarships and total budgeting dollars from the football program. Those scholarships now can be used for other sports that increase women participation.

Mr. Foley stated that the decision was completely based on the budgetary issues and there were absolutely no determinations on the value of this student program. President Crowley disagreed and stated that the value of the program was definitely considered. This has been a most difficult decision to make.

President Crowley stated that one alternative was to drop the football program which would have instantly met the requirements of Title IX, but then it would have changed UNR's Division III classification. So UNR did consider this alternative.

Regents Sparks and Whitley returned to the meeting. Mr. Graves left the meeting.

Dr. Derby stated that as a member of the Board of Regents she is obligated to convey her constituents' concerns. One such concern was the short notice of this elimination. She questioned if any consideration was given to grandfather students who are currently committed to this program and allow them to complete their higher education. President Crowley responded that UNR did consider this concern from the view point of competition; however, it would be difficult to attract a coach for a program that would ultimately be eliminated. He stated that the short notice is a fair issue, but the sports program is unlike any academic program in terms of politics. It was felt that UNR should expedite the elimination of the program.

Mr. Graves returned to the meeting.

Upon questioning, President Crowley stated other avenues are being explored and in the long-term private funding and endowments could be a partial answer, but there has not been this initiative thus far. He reminded the Board that skiing

and golf were brought back into the program with the aid of private funding, and this could also happen to track and field in the future.

22. Information Only: Outstanding Faculty Recognition

At the request of the Board of Regents, each Faculty Senate Chairman reported on the outstanding faculty achievement for the institution. Ref. B is filed in the Regents' Office.

University of Nevada, Reno

Betty Dodson

Northern Nevada Community College

Joyce Shaw

Joyce Lusty

Mrs. Berkley left the meeting.

23. Information Only: Outstanding Student Recognition

At the request of the Board of Regents, each Student Government Officer reported on the outstanding student achievement from the institution, which is filed in the Regents' Office.

University of Nevada, Reno

Alison Marie Whitford

24. Information Only: Outstanding Classified Employee

Recognition

At the request of the Board of Regents, each President reported on the outstanding classified employee achievement from the institution. Ref. C is filed in the Regents' Office.

University of Nevada, Reno

Betty Ferro

Community College of Southern Nevada

Daniel Morris

Connie Fleming

Northern Nevada Community College

Joyce M. De Carlo

Truckee Meadows Community College

Cindy Sotello

Cheryl Hinman

Western Nevada Community College

Ina Funke

25. Information Only: Regents' Workshop

Members of the Student Affairs Council presented a workshop on "Special Populations" of College and University students and the services available to them. Some of the special populations discussed included re-entry students, veterans, and single parents. The following persons made specific presentations:

Patricia Butler, introduced the "Special Population"

N. J. Petit, Re-Entry Center at CCSN

Katherine Perryman, Women's Center at UNLV

Bill Sullivan, Academic Advancement at UNLV and the
Education Talent Search

Merle Ann Van Meter, student and single parent, Re-Entry
Center at CCSN

Charlene Gooch, student, Re-Entry Center at CCSN

Denise Delaymo, mentoring program through Women's Center
at UNLV

Sharon Pelman, Outreach Program through the Jean Nidetch
Women's Center at UNLV

Johana Abrovina, student from Russia, Upward Bound
Program

Gabriella Nozera, student from Mexico, Upward Bound
Program

Tracy Cotton, Upward Bound Program

Dr. Derby thanked the presenters for a wonderful presentation, and indicated that these programs are so important to the System.

Mrs. Gallagher thanked Dr. Patricia Butler for coordinating this presentation and the presenters for their excellent information that was brought forth to the Board.

26. Approved the Naming of the Building, CCSN

Approved the naming of the Interactive Learning Center portion of Phase V of the Cheyenne Campus, CCSN, as the Herbert E. Peebles Interactive Learning Center.

Mr. Graves moved approval of the naming of the Interactive Learning Center, as the Herbert E. Peebles Interactive Learning Center at CCSN. Mrs. Price seconded.

President Meacham stated that there will be a formal dedication of this facility and Dr. Peebles' family will certainly be invited to attend.

Motion carried.

27. Approved Recommendations for Promotion or Assignment to Rank

Approved the following recommendations for promotion or assignment to rank which have been forwarded for Board consideration.

A. University of Nevada, Reno - President Crowley recom-

mended the following promotions, effective July 1, 1994:

Dhanesh Chandra to Full Professor in Chemical/Metal-
lurgical Engineering, School of Mines

Carl Looney to Full Professor in Computer Science,
School of Mines

*John C. Pettey to Associate Professor in Foreign
Languages and Literature, College of Arts & Science

Edwin G. Smith to Rank III in Cooperative Extension,
College of Agriculture

*Also recommended for Award to Tenure.

Mrs. Gallagher moved approval of the recommendations for
Promotion or Assignment to Rank at UNR. Dr Derby seconded.
Motion carried.

28. Approved Recommendations for Award to Tenure

Approved the following recommendations for tenure which have
been forwarded for Board consideration.

NOTE: The titles stated in this agenda item are descriptive
only. Faculty are tenured in institutions, and not

in particular employment positions.

A. University of Nevada, Reno - President Crowley recommended award of tenure, effective July 1, 1994 to the following:

Stephen Lafer, Curriculum and Instruction, College of Education

*John C. Pettey, Foreign Languages and Literature, College of Arts & Science

*Also recommended for Promotion or Assignment to Rank.

Mrs. Gallagher moved approval of the recommendations for Award to Tenure at UNR. Dr. Derby seconded. Motion carried.

29. Approved Emeritus Status

Approved the following recommendations to Emeritus Status:

A. Desert Research Institute - Emeritus status has been recommended for the following DRI faculty, effective June 30, 1994:

Elbert "Nate" Cooper, Assistant Vice President for
Development, Emeritus

William Finnegan, Research Professor, Emeritus

Shirley Smith, DRI Librarian, Emerita

Larry Young, Associate Research Engineer, Emeritus

B. Community College of Southern Nevada - Emeritus status

has been recommended for Arnold Friedman, Emeritus

Mathematics Professor, effective June 30, 1994.

C. University of Nevada, Las Vegas - Emeritus status has

been recommended for Leonard Phillips, Emeritus

Associate Professor of Education, effective June 30,

1994.

Mrs. Gallagher moved approval of the recommendations to

Emeritus Status at DRI, CCSN and UNLV. Dr. Derby seconded.

Motion carried.

Mr. Foley left the meeting.

30. Approved Board of Regents Search Charge to the UNLV

Presidential Search Committee

Approved the charge from the Board to the UNLV Presidential

Search Committee, as follows:

The UNLV Presidential Search Committee and the Institutional Advisory Committee have been appointed in compliance with Board policy. The Committee's Chair and spokesperson is Dr. Jill Derby.

The Committee is charged with recommending to the Board of Regents, not later than February 23-24, 1995, an unranked list of 3 to 5 individuals who, in the Committee's judgment, are well qualified to lead UNLV as its next President. Recommended finalists will be interviewed by the Board of Regents and a final selection will be made by the Board. If it should occur that none of the recommended individuals is acceptable to the Board for appointment, the Board will ask the Committee to recommend additional unranked individuals who are well qualified for the Board's consideration.

The Committee is asked to base its recommendations upon the leadership criteria developed by the Committee and adopted by the Board of Regents, as well as upon the

Board's established policies with respect to equal opportunity and affirmative action.

In compliance with current Board policy and practice, the Committee is responsible for the following activities: to prepare a statement of desired leadership characteristics to be approved by the Board, to draft and place advertisements, to solicit applications and nominations, to oversee the application process, to screen applicants, to select and interview semi-finalists, to check references, to arrange Campus visits, to report a summary of responses to candidates, to provide information to candidates, to ensure appropriate confidentiality, and to recommend finalists to the Board as described above. The Committee will determine its process for fulfilling these responsibilities, including determining whether to secure the services of a consultant.

The Committee Chair is charged with developing and implementing a plan for communicating the details of the search to the Board Chair, constituents and the media.

Mr. Graves moved approval of the Board of Regents' charge to the UNLV Presidential Search Committee. Mrs. Gallagher seconded.

Chairman Eardley clarified that this charge from the Board is not the same for the other searches that are currently underway.

Motion carried.

31. Report of Ad Hoc Chancellor Search Committee

Mr. Madison Graves, Chairman, reported on the ad hoc Chancellor's Search Committee and stated that the next scheduled meeting is June 13, 1994, when Dr. Ira Krinsky, Korn/Ferry International, will present a list of semifinalists to be announced in public.

Dr. Hammargren left the meeting.

Mr. Graves moved approval to accept the report of the ad hoc Chancellor Search Committee. Mrs. Whitley seconded.

Motion carried.

32. Information Only: Report of Ad Hoc CCSN Presidential

Search Committee

Mrs. Carolyn M. Sparks, Chairman, reported on the ad hoc CCSN Presidential Search Committee and stated that to date there are 92 applicants from 37 states and Washington, D. C. The Committee has reviewed the applicant rating form, interview questions, candidate interview procedures, and the search procedures and calendar. Letters have been sent to each candidate informing them of the 21-day advance notification that the Committee may be discussing them during future meetings. The applications must be reviewed and rated by Committee members in either the south or the north by July 11, then Secretary Mary Lou Moser will compile a rating sheet that will be discussed at the July 14, 1994 meeting of the Committee. The procedure is working without any problems and the Committee is unified on its thoughts and deliberations. Mr. Doug Burris, Director of Community College Affairs, and Mrs. Moser have made this process workable. Interim President David Hoggard has indicated that he would like a permanent President selected as soon as possible, so he can enjoy his own retirement.

Mr. Graves moved approval to accept the report of the ad hoc CCSN Presidential Search Committee. Mrs. Whitley seconded. Motion carried.

33. Report of Ad Hoc UNLV Presidential Search Committee

Dr. Jill Derby, Chairman, reported on the ad hoc UNLV Presidential Search Committee and stated that the Committee has secured the services of Dr. William Weary to work with the Committee in establishing a leadership statement for UNLV. The next meeting is scheduled for July 12, 1994.

Dr. Hammargren returned to the meeting.

The Committee has held a very thorough discussion on its options that are available to them in conducting this search and a decision will be made in the Fall after the leadership statement is developed.

Mr. Graves moved approval to accept the report of the ad hoc UNLV Presidential Search Committee. Mrs. Whitley seconded. Motion carried.

34. Report and Recommendations of the Audit Committee

A report and recommendations of the Audit Committee meeting held June 3, 1994, were made by Regent Nancy Price, Chairman. Details of the Committee's meeting can be found in the minutes and are on file in the Regents' Office.

Mrs. Price reported the following action items were approved by the Audit Committee:

1. OMB Circular A-133, Single Audit Report was presented by Deloitte & Touche representatives.
2. Schedule of FY 1994-95 Audits to be Performed. The Performing Arts Center at UNLV will be added to this schedule.

As an Information Only item, the Committee heard the follow-up report on the Purchasing Department, UNR.

Mrs. Price moved approval of the report and recommendations of the Audit Committee. Mrs. Sparks seconded. Motion carried.

Mrs. Price reported that there was a subsequent 2-hour meet-

ing held on June 14, 1994, but there was not a quorum of the Committee members; however, there was a good turnout of System employees who brought in suggestions to the audit function, especially on how to get information back to the policy making Board.

Mrs. Sparks left the meeting.

A report will be developed and a workshop will be scheduled for all interested parties to discuss the results of the report.

Mrs. Price indicted that there is an extraordinary need for audits to be performed, and she suggested that the Chancellor consider a proposal on the concept of conducting audits when administrative employees leave their position and when a new hire takes on a position.

Another point Mrs. Price made was that there will be changes in the financial statement format due to new federal government requirements. In addition, the reporting structure and how management works with the audit functions will also be discussed at a later meeting.

Mrs. Sparks returned to the meeting.

Mrs. Gallagher stated that in the past the procedure followed by the Audit Committee was that audit reports and recommendations were presented to the Audit Committee by the Director of Internal Audit, and if there were problems with the audit then the Department would be instructed to correct the situation within a given time, and a follow-up report would be made to the Audit Committee. If the problem still remained, the individual in charge of the said Department would appear before the Audit Committee explaining why the problem had not yet been rectified. This procedure seemed to work for the Audit Committee. The Internal Audit Department is under the Chancellor's direction for the day-to-day operations, but is accountable directly to the Audit Committee. It is not appropriate for the Audit Committee to perform investigations throughout the System. It is the responsibility of the Chancellor, Internal Auditing staff, Vice Chancellor for Finance or the independent auditors to rectify and investigate. The role of the Chancellor is to oversee this function.

Chairman Eardley stated that the job description for the Chancellor's position includes the responsibility over all

financial transactions, and will be held responsible.

Dr. Derby stated that what has been performed in the past is not particularly working for the Board at this time.

Interim Chancellor Richrdson stated that under the current Board of Regents' policy the Internal Audit Department reports to the Chancellor and the Chancellor manages that staff and works through the Presidents of the institutions.

Mrs. Price questioned whether it was the Chancellor's responsibility to resolve problems or oversee that the Presidents resolve the problems. Dr. Richrdson responded that the Chancellor does not manage the day-to-day Campus affairs. If an audit indicates a problem, then a follow-up report will be made to the Audit Committee by the institution.

Mrs. Sparks stated that there is a need to strengthen the Internal Audit Department. She mentioned that the Audit Committee has discussed this issue previously and pointed out that the Audit Committee consists of elected lay Board members who work through the Chancellor. The Chancellor is someone the Board selects to manage the System. The Chancellor is responsible in seeing that the work is com-

pleted and the System runs smoothly. With regard to procedure manuals, Mrs. Sparks stated that it has taken approximately 10 years to get about 95% of the manuals in place. It is not the responsibility of the Audit Committee to micro-manage the institutions. It is the obligation of the Board to see that the System operates properly and it is the Board's responsibility to make policy and present a budget to the Legislature. Mrs. Sparks stated that there are fewer problems coming forth to the Audit Committee. If a problem remains at the institutions, then external auditors should be brought in to review the situation and make recommendations. She cautioned Mrs. Price to remain within the Committee's boundaries.

Mr. Graves stated that this is very much of a philosophical discussion, and he agreed that certain obligations need to be performed. It is the responsibility of the Board to address issues and see that checks and balances are in place.

In referring to the UNLV Performing Arts audit that was performed in 1989, Mrs. Price questioned who was responsible to see that that Department complied with the recommendations made by the Internal Auditors. Mrs. Sparks

indicated that there was an oversight with regard to the follow-up report. Although, Interim Chancellor Richardson stated that an annual audit would not have brought the revenue and expense problem forward to the Board because it is not an audit issue. The audits look at host expenditures, Department functions, and budget balances, and then determine if the law and policy are in compliance. Budgeting and auditing are two different functions. He assured the Board that the Performing Arts Center at UNLV will be audited this coming year.

Dr. Richardson suggested that the Board may wish to consider various ways to inform the Board on budget matters, expenditure rates and how revenues are received. The Board of Regents does not have a Budget Committee to address these issues. If the Board is concerned with budgets and expenditures, then it should have a standing committee to address these particular issues. He stated that he understood that budget issues are very important to the Board and they felt that budget issues should be heard by the Committee as a whole. However, he pointed out that members of the Board of Regents are absent during this particular budgetary discussion.

Mrs. Price clarified that her concern is bringing the audit functions to the policy process, it is not the budgetary aspect that she is referring to as indicated.

35. Approved the Election of Officers

In accordance with Board of Regents Bylaws, Title 2, Article IV, Section 2, and election of Officers of the Board was held.

Chairman Eardley called for nominations for Chairman of the Board.

Dr. Hammargren nominated Dr. James Eardley.

Dr. Hammargren moved approval of the election of Dr. James Eardley as Chairman of the Board. Mr. Graves seconded.

Mrs. Price stated she had a conflict of interest. Motion carried.

Chairman Eardley called for nominations for Vice Chairman of the Board.

Mrs. Gallagher nominated Mr. Madison Graves, II.

Mrs. Gallagher moved approval of the election of Mr. Madison Graves, II as Vice Chairman of the Board. Dr. Derby seconded. Mrs. Price stated she had a conflict of interest. Motion carried.

Dr. Derby left the meeting.

(Note: After the meeting, Mrs. Price requested that her conflict of interest be explained that it was due to the fact that she is on the opposite side of a pending complaint regarding the Open Meeting Law.)

36. Approved Emergency Item: Marigold Mine Property, UNR

President Crowley requested consideration of exploring the possibility of obtaining a loan in order to be able to provide funding for the Mackay School of Mines building and the Computer Science Program at UNR. This item was not available at the time of publication of the agenda.

Mrs. Sparks moved to accept the emergency item regarding the Marigold Mine Property at UNR. Mrs. Gallagher seconded. Motion carried.

37. Approved Authorization to Obtain a Loan in Regard to the

Marigold Mine Property, UNR

President Crowley explained that UNR had tried to sell its interest in the Marigold Mine Property. However, the response to the bids to sell were not favorable and UNR needs funding for its Mackay School of Mines building and the Computer Science Program. UNR requested to borrow money against the interest on the property to complete the two stated projects.

Mr. Graves moved approval to authorize UNR to seek a loan to borrow against the interest on the Marigold Mine Property in order to complete the Mackay School of Mines building and aid the Computer Science Program at UNR. Mrs. Gallagher seconded. Motion carried.

38. Information Only: Institutions' Facilities Use Policies

Regent Lonnie Hammargren requested a discussion about the rental or use of UCCSN institution's facilities by non-UCCSN groups.

The University of Nevada, Reno's written policies, which were drafted after consultation with the General Counsel's Office, are attached as Ref. J for the Board's information.

Dr. Hammargren informed the Board that he had attended the Grateful Dead Concert and witnessed medical professionals treating drug overdose concert-goers. He reminded the Board that he has once before brought this issue before the Board because of his concerns. He stated that he is not opposed to the music, but the perception that UCCSN is condoning the drug culture at its institutions. Another concern is with the trademark laws and the illegal peddlers that attended this concert event. He requested the Board of Regents to look at the acceptability of drugs and make a policy decision in relation to this perception.

Mrs. Whitley left the meeting.

Dr. Hammargren stated that it is illegal for the vendors to sell drugs at "tent city" after the concert and allow the vendors and others to camp out on UCCSN property.

Mr. Graves pointed out that many who attend the concert do not do drugs, and he felt that this may be more of a polic-

ing regulation determined by the Campus police and the Metro Police Department. He did not think it should be the position of the Board to consider this item. Attendees at concerts and special events must comply to the laws of Nevada.

Dr. Hammargren agreed that people do have the right to attend, but he disagreed with the leasing of space to particular vendors.

Mr. Pat Christenson, Director of the Thomas and Mack Center and the Sam Boyd Silver Bowl, stated that because of the Grateful Dead concerts, UNLV is now able to attract entertainers who have played at such concert halls as Madison Square Garden. He pointed out that every other big city is bringing in the Grateful Dead band and he felt that because of the location of the Silver Bowl, UNLV is able to manage the crowds because it is not located in a residential neighborhood, and that there are increased numbers of ushers and police who routinely sweep the parking lot. UNLV's main responsibility is crowd management. He noted that most of the medical cases are due to dehydration. Such big name entertainers bring a huge economic impact to the community.

Interim President Guinn assured the Board that monitoring

of these functions is being performed and crowd management is improving at each event. He encouraged the Board not to discriminate against the good people who enjoy attending these events.

UNLV GSA President Micki Winsett stated that she has attended the Grateful Dead concert in the past and considered it a great cultural experience and that she looked forward to attending the upcoming concert.

Mrs. Price stated that the Board has abdicated a lot of power, but not the power of the United States Constitution.

Mrs. Sparks added that the Board is in agreement with Dr. Hammargren, but the constitutional right of the people must be respected. UCCSN does not condone the use of drugs.

Dr. Hammargren wished to challenge the freedom of speech and pointed out that there are several policing agencies attending this event, and it seems to be a hypocrisy. He agreed that people have the right to express their ideas, but not to go crazy. He challenged the Board of Regents' on this issue.

The meeting adjourned at 1:45 P.M.

Mary Lou Moser

Secretary of the Board

06-23-1994