

UCCSN Board of Regents' Meeting Minutes May 2-3, 1995

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BOARD OF REGENTS

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

May 2, 1995

The Board of Regents meeting was held in the Conference Room of the System Administration building in Reno on May 2, 1995.

Members present: Dr. James Eardley, Chairman

Mr. Mark Alden

Mrs. Shelley Berkley

Dr. Jill Derby

Mrs. Dorothy S. Gallagher

Mr. Madison Graves, II

Mr. Daniel J. Klaich

Mrs. Nancy Price

Mrs. Carolyn M. Sparks

Members absent: Mr. Joseph M. Foley

Mr. David L. Phillips

Others present: Dr. Richard Jarvis, Chancellor

Mr. Donald Klasic, General Counsel

Mr. Robert Ulrich, Assistant Counsel

Ms. Mary Lou Moser, Secretary

Chairman Eardley called the special meeting to order at 1:45 P.M.

with all members present except Regents Foley and Phillips.

Chairman Eardley stated the meeting had been requested by Regent

Nancy Price.

1. Board of Regents Relationships, Obligations and
Responsibilities

The Board of Regents considered the current state of its relationships, obligations and responsibilities to its members, the UCCSN and the public, together with any action deemed necessary to address any problems which were identified at the meeting. Specifically, the discussion included:

A. A full discussion, at the request of Regent Nancy Price, of the circumstances surrounding the resignation of

Regent Price as Chair of the Audit Committee and the subsequent behavior of Regents and staff, including the history of the Board, both before and after Regent Price's resignation, with regard to the Open Meeting Law, the role and responsibilities of the Board and its members, and the concerns of Regent Price about outside influences on the Board, as expressed in an opinion request she had made to the Attorney General; and

B. Any other matters directly related to the current relationships, obligations and responsibilities of the members of the Board of Regents to themselves, the UCCSN and the public arising from the conduct and the public comment of the members of the Board during the past two years.

Chairman Eardley stated that Regent Price would make her presentation, then he would call on each of the other Regents for comment. Mrs. Price made her presentation in conjunction with slides, a paper copy of which is filed with the permanent minutes.

Mrs. Price stated this was an historical meeting for several

reasons: 1) The "Lonnie Hammargren rule" will be used for the first time. That rule came about as a change to the Open Meeting Law which now prohibits discussion of an elected official in a Closed Session. 2) Mrs. Price stated this was the first item she has been able to place on the Board agenda.

She asked to clarify a media statement of the day before wherein Mrs. Berkley indicated that Mrs. Price believed that 2 Regents could not talk to one another. Mrs. Price stated that was not her belief, however, it was the "polling" aspect of the law that she feels is a problem. Mrs. Berkley related she had not read the article, but did remember calling Mrs. Price shortly after she was elected as Regent to discuss an agenda item and Mrs. Price stated she felt discussion of the item was a violation of the Open Meeting Law, and that she did not feel Regents should have any conversations outside of an open Board meeting. Mrs. Price then related that she had, about two weeks ago, discussed an item with Mrs. Berkley.

Slide: TOM - If you continue to do things the same way, you continue to get the same results.

Mrs. Price: This has been a problem over the years,
and my contention is that we need to face the problems
and solve them, rather than to just move on.

Slide: Who Decides?

Mrs. Price stated that what she has observed after being
on the Board that there is an enormous, and appropriate,
amount of power on the Board of Regents. She contends
that the power has been usurped in various ways by
various entities, and who governs this Board is the
underlying reason for why there have been so many prob-
lems over the years. The Constitutional authority of
the Board is very important, and she considers that the
Board has given away its authority over the last 14-15
years, did not have the authority to do so, and needs
to get back to being a governing board.

Slide: Glossary of Terms. Agenda Setting - 1. The process of
deciding what issues will be considered at a formal
meeting.

Mrs. Price: That is pretty straight-forward.

2. The process by which ideas or issues bubble up through the various political processes to wind up on the agenda of a political institution, such as a legislature or court. Extensive use of the mass media can take a relatively unknown or unsupported issue and through publicity, expand the numbers who care about the issue so an institution is forced to take some action.

Mrs. Price: Members of the public and special groups use this method to force an issue to appear on an agenda.

Slide: Campaign - Continuous operations leading toward a known goal, a clearly defined single objective. The Leona Helmsly Attitude. Those individuals or groups who believe the laws are "for the little people".

Mrs. Price: She had coined the phrase: "Leona Helmsly Attitude".

Slide: Cozy Triangle or Iron Triangle - The mutually supportive relations among government agencies, interest groups, and the legislative committee or subcommittee with jurisdiction over their areas of common concern. (The

Harper Collins Dictionary of American Government and Politics). This is not a conspiracy theory - It's a public policy term I use to understand the Board.

Mrs. Price: This is a political science term about a mutually supportive relationship.

Slide: Culture of the Board - The way of life of the UCCSN

Board of Regents as I have come to know it. This is after researching the Board's last 15 year history and my experience as Regent for 2 1/2 years, UNLV graduate, Student President in 1987, student since 1970, and mother of two former students.

Mrs. Price: The culture is the way of life on the Board over the last 15 years and in looking at the headlines, which did not start with her.

Slide: Understanding - My remarks are now and always have been

directed at the structure -- you all just happen to be the governing board now. It is my duty as an elected official to stand up to a "Culture of the Board" (a way of life) contrary to my understanding of the Constitution and the law. It is also my duty to continue to

learn about the Constitution and the law.

Mrs. Price: I am talking about, and my remarks have always been, toward the structure of the System, and regardless of who is involved, the culture would be the same. I feel it is my duty as an elected official because I believe it is contrary to the Constitution and to the law.

Slide: Overview of Presentation - Why I resigned as Chair of the Audit Committee - in protest - at the last Regents meeting. What I believe are the underlying causes of at least 15 years of turmoil: Role and Responsibility of Regents, Structure of Fund Raising, Open Meeting Law, Recommendations.

Slide: Why I Resigned as Audit Chair - Vote followed the pattern observed in UNLV search except in that case it wasn't successful. New Regents appear to have conformed to "Culture of the Board". Lost hope.

Mrs. Price: Following the vote of the Audit Committee, which I saw as the same way as the several votes on the UNLV Presidential Search. What I considered at that

time was my hope for the Board from having 3 new people
-- a Chancellor and 2 Regents -- that some change would
come about in the political process of influence, etc.

At that point I had given up hope after the 2 1/2 years,
and felt that change would have to come from the outside.

Slide: View of the Board - There is a problem with the way we
do business: I know it, some faculty and students know
it; the public seems to know it. At 80 years old,
Robert Mc Namara wishes he had said something to stop
the war when he had the opportunity. I'm not going to
make that mistake.

Mrs. Price stated that when she is 80 years old she
does not want to look back and say, "I didn't stand up
for what I thought was a problem at the time I had the
opportunity to do it."

Slide: View of the Board - Who decides now? Presidents not the
Board. Outside interests not the Board. How? Presi-
dents Council in private sets agenda; interface with
Governor and Legislature; President with Foundation or
Foundation with President; Chancellor's role differs but
with Presidents.

Mrs. Price: Presidents Council sets the agenda. The

interface by those people with the Governor and the

Legislature and the Board is not represented there.

The President with the Foundation or the Foundation

with the President, depending on which is stronger at

which end of the State. And, the Chancellor has played

a different role in this. In my 2 1/2 years there have

been 3 Chancellors, but it usually falls on the side of

the Presidents. And just to remind you, it didn't start

with me.

Slide: Questions - Why doesn't the Board have a written report

from Mort Galane? Why allow anonymous donor to cloud

issue? Why did the Board pay 1.8 million to Massamino?

Why doesn't the Board appear before the Legislature like

other boards? How can the Board give away the Consti-

tutional power given to them by the people of Nevada?

Mrs. Price: These are the questions I have asked myself.

Why did the Board really vote against the Advisory Com-

mittee and the Audit Committee and the statements by

the Controller? Certainly what I had heard in that meet-

ing was not valid reason.

The same way with the UNLV Presidential Search. If you recall the first vote was against the recommendation.

Why doesn't the Board have a written report from Mort Galane? It is in the minutes of the meeting that day that there would be a written report. I have requested it. I know Joe Foley has requested it. Why did the Board allow an anonymous donor to pay that bill? That clouds the issue. I still can't explain this one.

The Board does not appear before the Legislature with the Governor. The Supreme Court appears before the Legislature; the Constitutional officers appear. They bring their experts with them, but they are the ones who have to defend their budget. And every other Board I know appears. But if you don't have the obligation of having to defend that budget, you don't know anything about it, and my contention is I don't think any of us know "diddly-squat" about the budget.

I don't think the Board can give this power away, and it has done so.

Slide: What I Did and Why - My resignation as Chair of Audit.

Comparison to UNLV President votes. Request Opinion from Attorney General. Chancellor's view of structure and his role. Challenge on Open Meeting Law. New Regents appear to accept existing "culture". "The Culture of the Board". If you go along, you'll get along. No change. Require outside help.

Mrs. Price: My resignation as Chair has to do with comparing the votes and believing that the two new Regents have conformed to the culture of the Board. I requested an opinion from the Attorney General having to do with the structure of fund raising. After 2 1/2 years of trying to get a discussion about fund raising and then having seen the response from the Chancellor which was very similar to the rhetoric about fund raising, again I decided that I had to go outside the Board.

Challenges to the Open Meeting Law - That was the last two meetings. There is a long history on the Open Meeting Law. Mrs. Price presented a handout and summarized as "Go along to get along" and she stated she did not see that would change.

Slide: "Substantiated Accusations" by Regent Price - History of

violation of Open Meeting Law. Key decisions fixed:

UNLV President (tried but failed). External Audit

Contract (succeeded). Indications for CC searches

(safeguards needed). Scholarship money going to pay

Massamino. Description of "cozy triangles".

Mrs. Price: The so-called "unsubstantiated accusations

by Regent Price" are "substantiated". History of the

Board of Open Meeting Law: To the extent that the Board

has never actually been charged and found guilty direct-

ly, there certainly have been headlines about the Open

Meeting Law: the abandonment of the first Chancellor's

search; the meeting at the Golden Steer; the indications

of the UNLV President's vote, led me to believe that

key decisions have been fixed, that is, pre-arranged,

pre-determined, you know what you are going to do before

you get there. It was tried in the UNLV search and it

failed, fortunately, but it did not fail with the Audit

contract. And then, knowing that history and at the same

time being on two search committees and receiving phone

calls from individuals that I know, indicating problems

with the search, not in terms with the Open Meeting Law

and agendas, it is also seeing that the search is held

safe. We talked about this at the WNCC search committee and the idea of a pre-determined candidate is one of the great worries of many people that applied for a job.

The only accusation that I was questioned on. At first I did not know anything about the media advisory, but I was asked about a statement I made about scholarship money going to pay the Massamino contract. I have copies of the minutes where I got that statement from.

Slide: Other Statements by Regent Price - (In response to why

I was being attacked by fellow Regents - Jeff German).

Regent Berkley running for Congress. As long as I can remember. Need to satisfy public and politics. Understandable. Regent Gallagher "Good Old Boy". Respect her ability. Need to question intent and change system.

Mrs. Price: These questions are here mainly to compare these comments to the tone and intensity of the comments made toward me. This was in response to Jeff German's question to me as why her fellow Regents were attacking her. Now, I said of Shelley that as long as I have known her she has been running for Congress, that she needs to satisfy both sides, and that it was understand-

able. With Regent Gallagher, everyone has heard me say that Regent Gallagher is the best "good old boy" I have ever seen. I have sometimes been criticized sometimes for giving her credit for it. She is very good at accomplishing what needs to be accomplished on this Board.

Mrs. Berkley stated that she had never attacked Mrs. Price and quite to the contrary had defended her quite a great deal, which she felt was her responsibility to do. What Mrs. Price may have said to Mr. German and what came out in the column may have been two different things. Mrs. Price stated she had said what was in the column. Mrs. Berkley stated that she was not running for Congress in '96 and that statement was against everything she had been telling people which made her look like a liar. Mrs. Berkley stated she was very uncomfortable with Mrs. Price's statement.

Mrs. Price stated that the point was that she had not for the most part called "these people", but that was the question she had been asked by Mr. German.

Slide: The Campaign - April 1993, Regent Graves remarks to me followed by a private apology. Kenny Gwinn's remark at Chamber. George Swartz public intimidation. Regent

Foley's insinuation March 30. Regent Graves "Gazette" and "Sun". Chairman Eardley's control of discussion, agenda, media advisory.

Mrs. Price: All my life I have had to substantiate my statements either because of having to do it for academic reasons or believing that short females have to substantiate everything they say. So, I have the tapes that go along with these 1993 remarks, and they were quite intense. This was the first time I started to question the Foundations. Later there was an apology after it was solicited. Then there was Kenny Guinn's remarks at a meeting in North Las Vegas. To cut it short, if he didn't get an 11 member vote on his budget proposal, he would see to it that those Regents didn't get re-elected. I let him know, as I have most people except for one circumstance, that I would never run for this office again. But, since I was the only one in the audience I took note of that.

Regarding George Swartz' remarks. Dan Klaich and Carolyn were there. As he (Swartz) walked up to me, we were still seated at a public meeting, although recessed, and it was after bringing up as I have with other

Foundations the problems I saw with them -- and this was the day the two new Regents were sworn in -- he stated that "You'd better be careful. You're pissing a lot of people off. And go to hell."

This next was private between Mr. Foley and I the day of the Audit meeting and that was, did I have a deal going with the new Audit Committee and was that why I was intent on changing auditors? Regent Graves then in the "Gazette" said that I was totally derelict in my role as Audit Chair. And then in the "Sun", although this one wasn't in quotes, that he despised me. Now, I can understand challenging issues and having concerns, but the intensity and the personal aspect of it is inappropriate.

Chairman Eardley, the long history of anybody who has observed this on discussion of agenda items and the circumstances surrounding the media advisory.

Slide: Why a Campaign? 1. Challenge to Foundations. 2. Challenge to Sports Betting. 3. Work as Audit Chair. 4. Challenge for Return of Legitimate Power.

Mrs. Price: Why would there be a campaign? Am I getting paranoid?

Mr. Klaich: To discredit you?

Mrs. Price: Yes, silence and discredit. I challenged the Foundation and betting. This had never come before the Board and I certainly won't bring it before the Board. The work on the Audit Committee -- trying to get internal control. The whole idea of getting control back to this Board, to trying to be a governing board.

Slide: Regent Graves as Chairman - April 1993 Comments. Role with Chancellor's wife. Comments to Member of Public. Comments to UNLV President. Comments to "Reno Gazette". Comment in "Las Vegas Sun". Encourage to seek help.

Mrs. Price: Now, we have this meeting today because what I wanted was a public apology and for Regent Graves not to accept the Chairmanship. But we got a public meeting instead. And I'm happy to have the public meeting.

The 1993 comments, and the role he played as it has been

indicated with regard to the Chancellor's wife's job;
comments to members of the public in a public meeting.
He told a public member to go to hell; the incident
surrounding the UNLV President that resulted in actual-
ly, as I understand it by a person who attended that
meeting, his comments to her and resulting in an apology
to her; and then again his comments in the "Sun", the
intensity of "despising" me. I'm concerned that we are
talking about an emotional problem here.

Slide: Follow the Money. The budget is a political document.

The allocation of money is the allocation of values.
This is our role and responsibility, and the Board has
abdicated this responsibility. Other Constitutional
Officers, the Supreme Court, and other Boards lead their
budget defense in the Legislature.

Mrs. Price: When you look at this, as with most things,
what you want to do is follow the money. Now I have
talked from time to time as to what a budget is. A
budget is a political document and it's that allocation
of money and the allocation of values. If you listen
to what we say in a Board meeting, we say one thing,
but if you look at where we are actually spending our

money -- and I use the Massamino contract as the perfect example of the problem -- where we actually spend the money.

Slide: Follow the Money. With the structure of Foundations

about 15 years ago, checks and property no longer belong to "Board of Regents". Why did this Board give up control? Can the Board give up control? I don't believe it can. It's not theirs to give.

Mrs. Price: The problem I have with the Foundations goes back 15 years to the formation of these Foundations where you have prior to that time, checks and money and property were the property of the Board of Regents of the State System, and now we have given up that control. And I do not believe we have the power to do that. It is not ours to give away.

Slide: Access to Information/Resources - No staff not going

through Chancellor. Not involved in Legislature. No disclosure. Not involved in fund raising priorities.

Agenda by Administration. No budget involvement. No evaluation. Poor audit structure.

Mrs. Price: Here are some of the means to keep us from being a governing board. And many of them I have mentioned. They are pretty standard ways, to restrict information and resources, not that Regents do not receive lots of "stuff", but it may not be appropriate.

Slide: Why Now? - Massamino Contract and Ethics Commission

Decision. Risk Tax Status. Treatment of UNLV President finalists. Votes on UNLV President and External Auditor. New people assimilating into the existing culture: Chancellor, New Regents.

Mrs. Price: The Massamino contract and the Ethics Commission Decision bring about a very serious problem and through the last 1 1/2 years I have brought it up time and time again but unfortunately only to have it argued about. What happened in the Massamino contract I believe may risk the Foundation's tax exempt status, but unless we don't do anything about it, we may be risking our own tax exempt status.

We have expanded our negative image around the country from Athletics to Presidential searches. We had a lot of good candidates because of the good time to be search-

ing, but when you abandon the search as we did in the first round of the Chancellor's with no consideration of those people who have put in their applications, and then treat the finalists as we did with the UNLV President, with our small community, word gets around. Then we expanded it even further with the auditor's search because we had 3 national companies there. What happened in that case is certainly going to be a repercussion throughout those corporations as well.

Again, the reason I have gone outside the System is because I believe the new people have bought into the culture.

Slide: Massamino Contract - As a Symptom - 9/15/92. Subpoena

Foundation records. 9/16/92. Creation of "Varsity Club". SB 322. Would have made contract legal: Attorney Les Sully wrote in section. John Goolsby, Governor Sawyer, Governor O'Callaghan at Legislature. No report from attorney who is paid by "anonymous donor".

Mrs. Price: The Massamino contract is a perfect example of what I am trying to say about this power. We never discussed the Massamino contract. We don't have the

report from Mort Galane. We never discussed the Ethics Commission Decision has an agenda item. You have to ask questions when you have a "Varsity Club" being formed the next day after Foundation records are subpoenaed. And then you have a Senate Bill, that if it had gone through in its original form, would have made the Massamino contract legal. And we have an anonymous donor paying for a report that we have never received. We should be asking questions.

Slide: Ethics Commission Decision - Reinforced "private foundations". Does the operation of foundations and other fund raising meet the requirements of the IRS? How do we protect our donors? Why don't we care, talk about it? Why didn't we wait on 1.8 million?

Mrs. Price: I attended that meeting and told them not to assume the Foundations were private. That Commission reinforced that they were private Foundations and laid it out very carefully that this is the way it works in this State. My contention is that if you take Don Klasic's opinion, the Ethics Commission on how it actually works in this State, I don't believe they meet the criteria of the IRS laws. We need to talk about that;

maybe I am wrong. We have to be concerned about our donors.

Slide: Request for Attorney General Opinion - Does the structure and operation of UCCSN fund raising organizations alter the constitution power of the Board of Regents?

Mrs. Price: I had asked them before receiving a copy of materials I sent her.

Slide: Rationale - "The following decisions accord with the public, judicial and congressional understanding over the years that Government-created and -controlled corporations are part of the Government itself." "A contrary holding would allow government to evade its most solemn constitutional obligations by simply resorting to the corporate form." *Lebron v. National Railroad Passenger Corp.* Decided February 21, 1995. Supreme Court of the U. S.

Mrs. Price: This is the way I view it also. This is what we have done with the Foundations.

Slide: What Does It Mean to Have Constitutional Power? - Most

states differ from ours. Most are under control of State. We have responsibility for structure. There is little or none. Importance of Audit. Importance of Evaluation. Importance of Regent Oversight.

Mrs. Price: Having constitutional power is enormous and the important part that somehow got lost between now and 15 years ago is that we are not under the State structure. It is our structure; we are the final say, the governing board. And that's why auditing is so important, and we have not put funds into that. The importance of evaluation: For 2 1/2 years we have not evaluated anyone. We don't have criteria for evaluating the Chancellor. And the importance of oversight.

Slide: When Should We Discuss Events in Order to Correct Problem? - \$25,000 bribe for vote on Chairman. Suspicious death of Regent. Hot Tub Picture. Death of Student Doing Research. Massamino contract. Open Meeting Law complaints.

Mrs. Price: This is a long history of problems. The \$25,000 bribe for voting for Chairman happened a long time ago, and the way the Regent who told me this said

that she believed it had to do with contracts for build-ings. The suspicious death of a Regent. I just wanted to let you know that if you find me dead in a motel room or off a cliff in Chile, I didn't do it. These are all very serious problems and our agendas have very little to do with the serious kinds of things we should be discussing in terms of policies and things that happen.

Slide: Who Sets the Board Agenda? - Our policy is one of "Gag the Regents". When I gave my permission to "any Regent" for "any purpose" to get an item on the agenda, you raised the number.

Mrs. Price: Agenda setting is an important part of the control and governing. I give my permission for an agenda item no matter who or for what purpose because I think it is your duty as an elected official to be able to discuss the things that you think are important.

Slide: Agenda Items Requested - Discussion of structure of fund-raising. Briefing on athletics by Joe Crowley. Personnel Session on Chancellor. Policy discussion for loans, disclosure, College sites, Internet, in-vitro liability.

Mrs. Price: These are just a few of the items I have requested. These were requested at meetings and of the Chairman.

Slide: Recommendations - Require education on government, open meeting law, and Robert's Rules. Define our role and responsibility. Discuss Chancellor's role and responsibility then evaluate. Discuss conflict of interest/ Disclosure. Audit before a new President takes over. Give courtesy notice if vote against your committee vote.

Mrs. Price: In Oklahoma they require classes for the Trustees and Regents, which the Legislature had dictated.

Conflicts/Disclosures: I cannot understand that we do not have disclosures to identify conflicts of interest.

It should be standard practice to audit before a new President takes over. I have requested this a number of times. In some governing bodies, if you vote one way in a meeting and you are going to vote a different way at the full Board meeting, a courtesy notice is given.

Slide: Recommendations - Public Statement of Intent to Change.

Show recognition we have a problem and willing to change.

Problem. Those currently benefiting from the structure

will put up fight, but we are the governing board.

Mrs. Price: I would like to see a public statement of the Board's intent to change, and are willing to address the problems on the Board.

Slide: Summary - Why I resigned as Chair of the Audit: New people conformed to "Culture". What I believe are the underlying causes of at least 15 years of turmoil: Role and responsibility not understood. Structure of fund raising as requested. Open meeting Law means to control. Recommendations: Face and solve problems.

Mrs. Price: The aspect of the appropriated money, the State money, is usurped by us not being at the Legislature and knowing the budget and defending it. The donated money and aspects of grants and contracts has been usurped by the structure of our Foundations. And by means of the Open Meeting Law, that has also usurped control of at least 5 of whichever Regents are on the short side of the stick for a vote.

Slide: Summary - Individually we all want to improve higher education in Nevada. To do that we need a "peaceful

transfer of power".

Mrs. Price: My recommendation is to face and deal with the problems as they come along and not try to gloss them over.

Thank you for your attention and thank you, Chairman Eardley, for allowing me this opportunity.

Mrs. Price presented an article by George Franklin, filed in the Regents' Office. It is a wonderful theory on the Open Meeting Law. Most famous for its violations rather than its observations. It's been violated more times than a prostitute. August 2, 1982. Mr. Klaich: From that pillar of journalism, "The Valley Times".

Mr. Klaich stated that 10 years ago when he was first appointed to the Board, one of the first meetings he had was a retreat at Lake Tahoe guided by Mary Lou Peterson on boardsmanship, etc. He did agree with some of the things Mrs. Price had said that there have been bubbles of controversy around this Board over the years. He stated he certainly did not agree that we have an imbedded cultural or power structure, and if he had thought that was the case

he could not continue serving on the Board. He had never been asked to be a part of that and would feel pointless in being here.

Mr. Klaich found the discussion rather distracting because he was not sure he understood to the extent of the presentation what the public bickering among Regents and solicitation of apologies for perceived insults has to do with the governance of higher education. He stated he felt it fed to the worst of those who would detract from the Board and does nothing to enhance public education here in Nevada.

He stated that Mrs. Price had raised a legitimate issue regarding fund raising, which she stated she had raised a number of times. At the last meeting that was discussed, Mrs. Price had been requested that if she had an issue it should be presented and the Board would try to define it and discuss it. He stated it was his perception that a majority of the Board disagrees with her view of Foundations, and also disagrees with her view that there is anything illegal or unconstitutional about the way the Board is doing business in fund raising. It is appropriate to have that discussed and answered rather than having continuing demoralizing innuendo by constantly raising the issue obliquely or

ignoring it.

Mr. Klaich stated he had tried to conduct his affairs on the Board openly and that he takes this job very seriously. Reviewing the last 10 years on the Board, all Regents have paid a significant price to be on the Board, some more so than others. He continued that it was difficult for him to ascribe malicious motives to people around the table because of the price they have all paid. He stated he did not know what has happened; that if the Board has lost anything it is the ability to disagree without being disagreeable. He continued that it is not the purpose of the Board to have unanimous decisions on every issue, but it is the function of every member of the Board to be polite and attentive to the views of others. The corresponding aspect of that responsibility is for every member of the Board to raise their opinions in an appropriate, thoughtful and succinct manner. He felt the Board has lost the ability to do that over the last couple of years and felt that neither he nor Mrs. Price was without an appropriate share of credit and/or blame for that. He stated that he did not understand what a meeting of this sort has to do with the primary roles of the Board and does not know where the Board is going with this.

Mrs. Sparks stated she had a series of questions regarding the presentation. Concerning Mrs. Price's last comment on the "peaceful transfer of power", she questioned to whom the power would be transferred or what power was to be transferred. Mrs. Price stated that it has to do with the control over the budget process. The budget is divided into the State appropriated portion, and the other part of the budget, and the Board only rubber stamps a document that is put before it. Mrs. Sparks stated she completely disagreed with that statement, that the Board has spent hours and hours reviewing the budget documents. Presentations have been made by the Chancellor, Vice Chancellors and by Presidents of each institution; Regents have attended meetings on each institution. She continued that possibly in 1984 when she first came on the Board the process was different, but the Board spends as much time on the System budget as any government or State agency does. Mrs. Sparks stated that to say the Board rubber-stamps the budget is absolutely wrong. The Board has criticized and questioned, it has demanded explanations from the Presidents, and the Board is represented in the Legislature. In the past, the Board would go to the Legislature as a group to each meeting, and the Legislators resented that approach. All 9 members

could not talk, it was wasting both their and the Board's time. The Board has now selected a Chancellor and Vice Chancellor and very strong Presidents on each Campus to speak for the Board. The Board has had 1 1/2 years to voice its opinion on the budget. The Chairman and Vice Chairman of the Board are the representatives of the Board for these legislative meetings. The Board made a decision that not all of them would go to the Legislature. The Board has selected its representatives. Mrs. Sparks stated she did not feel, and resents the implications, that the Board has given up its power and is rubber-stamping a budget. She continued that she has personally spent a long time, many hours, reviewing the budget and felt that Mrs. Price's comments were a misstatement.

Mrs. Price stated that because the Board does not have the obligation to go before the Legislature, just by virtue of not having to defend the budget, that there is a different dynamic and that relationship is a very powerful one. Mrs. Sparks objected, stating that the Board does have the relationship. Mrs. Price stated that the System used the same people and named Mr. Bob Dickens and Dr. Jim Richardson, and then members of the Administration, which other Board and constitutional officers did not do. Mrs. Sparks

stated that obviously she and Mrs. Price were not going to agree on this matter. She agreed that the Board does have an obligation to be at the Legislature, and it is fulfilled by having the Chairman and Chancellor represent the Board.

Mrs. Sparks stated the Board has had a number of retreats, maybe not since Mrs. Price has been on the Board, but there have been academic, Board training, etc. However, to indicate that for 15 years there has been no preparation as Board members, she once again would take exception to that statement.

Mrs. Sparks questioned the statement concerning the people who hold the power would fight changes, and asked who those people were. Mrs. Price stated she was not talking about Regents holding the power but was going back to the budget. She had sat in on a hearing on the System budget where they were questioned as to what items would require additional funding and there were things the Board was not involved with except in a very vague way. She stated that if the Board had been present, those "add ons" may be very different, and the governing board should be present to make those determinations. Mrs. Price stated that the Presi-

dents or the Presidents' Council holds the power with regards to the State appropriated budget; and by means of those meetings, the agenda setting and the means of dealing with the Legislature and Governor. She continued that on the other side of the budget picture is the donated funds and there the Foundations or individuals on Foundations who then have opportunities for knowledge, information and means of encouraging where the funds will go in setting priorities. She gave the example of the Gaming Management major (BS) at UNLV. At the very next meeting the Board, the UNLV Foundation was very proud of being out raising money for the Gaming Management Program, and she objected to that. She said that the Board had not decided what priorities should be set for fund raising.

Mrs. Sparks stated that the Board is not the manager of the Foundation. A donor who is willing to give to the University will often stipulate what the donation is to be used for. She continued that the System must be able to have access to private funds.

Mr. Klaich stated that the last comment Mrs. Price had just made seems to contradict her basic premise, and that is, that the Board has made a policy decision that the Gaming

Management was an appropriate new major. The Board knows that there is no mechanism in the current State budget for funding new programs, and therefore, the System has to fight for these programs until the enrollment in them grows and can be placed in the budget request. He did not see what could be a more appropriate direction of policy, followed by an Administration of that policy, for the Board to endorse the program, followed by the Foundation's solicitation of funds for that program.

Mrs. Price argued that there are lots of programs that could use money and felt that some of those might have greater importance or priority. Mr. Klaich stated that perhaps there was not a donor who wished to give to those programs. Mrs. Price stated that both Mrs. Sparks and Mr. Klaich were right to the point that a donor has the right to give to a specific program, but one needed to go back before the time that Lyle Rivera (UNLV Vice President) and Joe Crowley (UNR President) set up the foundations as they are, that there was fund raising and people could give a restricted donation. But there are other donors who do not know where they want to put their dollars. Mr. Klaich stated that he did not accept that. Mrs. Sparks stated that there is a priority list available at each Campus as to what funding is

needed and the Board has received those lists. Mrs. Price again referred to the formation of the foundations and stated the Regents at that time were not all agreed on foundations and were concerned about losing control (as reflected in the minutes). Her contention is that the Board did not have the right to give away that control.

She objects to having checks and property no longer made out to the Board of Regents. The Ethics Commission Decision has stated that the Foundations are private and have control and own that, and even that they can take an employment contract and transfer it to another Varsity Club.

Mrs. Sparks stated that when the Foundations were started they were rather casual and were put together by private individuals who wanted to raise money. When the new President came to UNLV 10 years ago, the Foundation was off-Campus in a private office run by private individuals who hired a Director. That Foundation was moved onto the Campus and a Vice President was put in charge of all the activities and everything has been done to try to bring the control and responsibility for the proper handling of the money. She stated that the Foundations at this point are just about as "squeaky clean" and well regulated as they can be with private individuals giving their private

funds to places they choose, and the Board cannot tell them where they will put those funds. These Foundations were not created by the government or the University. They are approved by this Board once their existence becomes viable. These are not government entities and to indicate that they must follow the same rules as the Department of Motor Vehicles is not accurate.

Mrs. Sparks asked Mrs. Price what was meant by her statement on treatment of UNLV Presidential findings. Mrs. Price replied that the dinner that was reported with Carol Harter.

Mrs. Gallagher asked which report that was. Mrs. Price stated that one of the things you find out was that you get stories from people, and one of the stories is that there was a discussion about Carol Harter, Women's Athletics and that basic discussion and Mr. Graves' comments. Mrs. Sparks objected to the comment that "a meeting that was reported", and explained that this was not a meeting, it was a social dinner at which the Regents entertained candidates. It was not a meeting and had been listed and discussed in the UNLV Search Committee meeting. Mrs. Price stated that there are two dinners which fall into this category; and Mrs. Price was not in attendance at the dinner for Carol Harter, but was present for the dinner for Paul Olscamp. Mrs.

Price stated that at that dinner there were 7 or 8 Regents, and the difference between what is a social event and what is a meeting depends on how many Regents are present. She felt that it was a meeting and left. She continued that the dinner was pre-arranged. Not being on the search committee, Mrs. Price stated that her only purpose in being there was to talk with and interview Dr. Olscamp. Mrs. Price continued that it was pre-arranged, had a purpose, there were more than 6 Regents present, and was in a closed room. Reported back from that meeting was that there was a discussion about Paul Olscamp and whether he was at the end of his career.

Mrs. Sparks stated that even if there were 11 Regents present, the man was a potential employee coming to Las Vegas and wanted to meet the Regents and the Regents wanted to meet the candidate. Mrs. Price stated that one of the Regents at that meeting called her the next day and he was the only one she was concerned about that did not know the Open Meeting Law. She indicated to him she considered it a violation of the law. She stated that 2 Regents talking together in that situation is not a violation of the Open meeting Law.

Mrs. Sparks stated that the Regents have been having social events as long as she has been on the Board. Mr. Klasic read the Attorney General's statement from the Nevada Open Meeting Law manual on page 15: "It should be noted that nothing in our Nevada statute purports to regulate or restrict the attendance of members of the various public bodies at purely social functions. The social function would only be reached under the law if it is scheduled or designed at least in part for the purpose of having the members of the public body discuss or take action on official business either between themselves or with other interested parties. As was described in the case of Sacramento Newspaper Guild...there is a spectrum of gatherings of public agencies that can be called a meeting ranging from formal convocations to transact business to chance encounters where business is discussed. However, neither of these two extremes is an acceptable definition of the statutory word 'meeting'. Requiring all discussions between members to be open and public would preclude normal working and living by officials. On the other hand, permitting secrecy, unless there is formal convocation of a body, invites evasion. Although one might hypothesize quasi-social occasions, whose characterizations as a meeting would be debatable, the difference between a social occasion or one

arranged for pursuit of the public's business will usually be quite apparent." Mr. Klasic stated that it is a fine line and is a very difficult question to answer in that respect.

Mrs. Price stated that her understanding that she was there to meet the candidate and, she had believed that it was a violation because it was pre-determined and therefore, from her view she does not believe it was a social event, but others do. If she stayed, she would violate the law; if others stayed, they would not violate the law. Mrs. Sparks stated it was not a closed dinner and anyone could have attended, including the Press.

Mrs. Berkley asked whether this was one of the Open Meeting Law violations Mrs. Price had contacted the Attorney General about. Mrs. Price stated it was not. She added that it was stated in the paper she had contacted Ande Engleman (Nevada Press Association) and she had not, but Ms. Engleman had questioned Mrs. Price about it, and she had told Ms. Engleman she believed it was a violation. Mrs. Gallagher stated that it would be very, very difficult to have a dinner party that was not pre-arranged with a time set and an invited guest list. Mrs. Price stated that as an example, Mr.

Graves hosted a party for Dr. Paul Meacham, where Regents were all there and it was not a problem for her because there were separate tables and she had made sure she sat at a table with no other Regents. That was for a social gathering upon his retirement; she had not discussed any business and she did not hear any business being discussed; therefore, that was a social event. But, the only opportunity she had to meet a prospective College President of a College over which she has an oversight responsibility, and it was her understanding that it was her only opportunity to meet the individual. Mrs. Berkley asked whether it wasn't other Regents' only opportunity. Mr. Klaich asked whether Mrs. Price had a problem with having lunch with Carol Harter (another candidate) in Reno, and if not what was the difference? Mrs. Price replied that it was 8 Regents.

Chairman Eardley called a short recess. Upon reconvening, all Regents except Mr. Foley and Mr. Phillips were present.

Mrs. Sparks stated that it is not necessary for Foundation records to be subpoenaed; they are available and open any time. Mrs. Price stated her statement concerned 1992 when the records were not available. Mrs. Sparks stated that

the Board does make changes when problems arise. Mrs. Price stated that it wasn't the records being open, it was that when the records were subpoenaed, the next day the Varsity Club was formed; she was making a much larger charge there. Mrs. Sparks stated that in the meantime that Club was found to be inappropriate and has been disbanded and it is over; the Board made the change. She stated that the Board of Regents' job is an oversight board to make policy and do budget matters and it is not to be micro-managing the individual Campuses; that is the President's job. Mrs. Sparks stated that mistakes have been made -- the whole Massamino situation was a mistake; that she had made a mistake; she had listened to advice of counsel which she had thought was appropriate advice to follow. She continued that if she could go back and change things she would do some of them differently. However, they were circumstances that existed at that time and they do not exist now; they have been corrected at the Campus, System and Board level; and to keep bringing it up is not proper.

Mrs. Price stated that she had used it as one example; but she is talking about that there still isn't a structure in place and she had not received sufficient answers to her questions. She continued that it all began when she asked

what her liabilities and responsibilities were, and so far she can tell she is responsible and liable but has no governing authority, and the way she sees it is that those organizations do not meet the tax exemption requirement. And, if they don't then the Board is jeopardizing the tax exempt status and the status of donors. Mrs. Sparks stated that she did not feel Mrs. Price would ever be convinced, but the people who are donating their money are convinced, and cited another \$3 million at UNLV for scholarships; related that people with that kind of money to donate are fully aware of the tax ramifications; and, if there is a tax problem it is between the donor and the Foundation, it is not a Board matter. Mrs. Sparks continued that there has just been completed a 2-year study of the Foundations, the Chancellor has prepared a document reviewing the history and includes the current thinking, and asked that Mrs. Price not continue her campaign to discredit the Foundations, that her campaign is discrediting a great many people who want to give and support these institutions. And further, that the attempt to discredit the Foundations is harmful and is absolutely opposite of the duty of a Board member, which is to promote and defend the institutions.

Mrs. Price replied that she believes that is the member's

duty and what they are doing, and what she has asked for from Lyle Rivera is research which has been done on donors. At least one research project of which she is aware, is that donors were lost because of the way people feel about the Foundation, which was before she became a Regent. She disagreed that it was not the Board's responsibility because the Regents are the "shareholders' and do have a responsibility. Mrs. Sparks argued that if the donors know their names are to become public, they will not make those donations; and the obligation of the shareholders is to support and defend the work of the Foundations.

Mr. Alden thanked Mrs. Price for calling this meeting and for recommending several different publications regarding public policy and trusteeship, all of which he has read. He stated that from all his readings, he did not feel Mrs. Price was a trustee or a Regent. He defined that as 1) Mrs. Price's attack on Mr. Phillips was incorrect in that Mr. Phillips was not present at the Audit Committee meeting and, therefore, did not vote on the recommendation of Coopers-Lybrand as the external auditors. 2) Mr. Alden had clearly indicated throughout the Audit Committee meetings that he did not like the process being followed for the selection of the external auditors wherein the

System auditors were selecting the external auditors. 3)

The Audit Committee is deeply involved in micro-management and is not getting into the issues. He stated Mrs. Price was not present for the April 15 meeting in which there was an attempt to get redirection for the Committee, which was to be forwarded to the Regents for consideration. He felt Regents should be selecting the external auditors. Mr. Alden felt that the process was flawed as well as the timing of the process for hiring having been 9 months into the fiscal year before a firm was to be selected. He had proposed that the firm of Deloitte-Touche be extended for one year and the new firm to come on board July 1, 1995 for a 3-year contract.

Mr. Alden stated he felt the Audit Committee should have been addressing the System data processing; the accounting situation; the data base. He has asked for a full accounting of the resources and expenditures for UNLV Athletics for the past 3 years. The last report shows that there were \$850,000 in trade outs at UNLV Athletics this past year, which inflated resources but are actually services.

Mr. Alden stated that although Mrs. Price is always on the attack with the Foundations he does not feel she comprehends

their structure or their importance, and that she is confused over their tax status. He stated that their tax status is correct. He had Ms. Susan Wasco, a well-versed tax attorney in Las Vegas review the Foundations. Mr. Alden explained that the donor sometimes does not get 100% deduction but that is based on the donor's tax situation and has nothing to do with the Foundation. He indicated his support of the Foundations and the work they are doing to support the Colleges and Universities. Mr. Alden stated that the Foundations look to the Presidents for priorities in spending for the respective Campuses. He related that of the total System budget, only 48% is from State funds. Mr. Alden stated that he had reviewed the records of all the System Foundations, and cited UNR Foundation report for June 30, 1994, which contains more information and schedules than is required by the guidelines.

Mr. Alden stated that even though Mrs. Price has been on the Audit Committee for a year, he did not believe she had reviewed the Consolidated Financial Statements. In his review he had found a number of errors, which he brought to the attention of Deloitte-Touche, who made the corrections. He stated he felt this review is much more important than micro-managing a \$3000 Library item for transporting of

funds.

Mr. Alden stated he was proud to serve on the Board of Regents and discussed his fellow Regents and their service on the Board and dedication to education. He stated that Mrs. Sparks had been viciously attacked over a 2 or 3 year period but had not called for a special meeting, but rather kept on going because she believes in higher education.

Mr. Alden referred to 10 virtues as stated in William Bennett's book: self-discipline, compassion, responsibility, friendship, work, courage, perseverance, honesty, loyalty and faith. He stated that he felt Mrs. Price should take a serious look at what she had done this day, look at herself and make a decision as to whether to be a trustee for higher education or whether to continue to be on the attack. He referred to a newspaper article written by Mr. Jon Ralston stating that Mr. Alden had reached too far after the Presidential search at UNLV, and he was right. Dr. Harter had received the full support of the Board, and Mr. Ralston had reminded Mr. Alden of that, and he thanked the Press for that.

Mrs. Price rebutted that her reference to David Phillips

had been to do with Mr. Phillips being a new Regent and his vote in both the Presidential search and the external auditor in being opposed to the Audit Committee decision. She stated that prior to the meeting on the vote for the UNLV President she had heard a rumor so had asked Mr. Alden whether he and Mr. Graves had arranged to put (candidate) Dr. William Shelton's name forward and he had replied that they had not. The day of the meeting, with the previous history of the Board and the understanding of what goes on at UNLV, Dr. Harter was overwhelmingly the choice. However, only by virtue of the way they voted did Dr. Shelton get to be second on the list. She stated Chairman Eardley at the meeting told her the members needed to support the nominee. At the Board meeting, Dr. Derby made the nomination for Dr. Harter, and the Board voted down the nomination, they voted down the Advisory Committee and the Board Committee. That was reinforcement for Mrs. Price in knowing that the rumor she had heard was indeed the case.

Mr. Alden stated he had never talked with Mrs. Price before that meeting or during the meeting or at the meeting as to what his thoughts were as for who he was favoring. He said he had given her a briefing only one time on one candidate.

Mrs. Sparks stated that Mrs. Price was totally on the

wrong track in saying this was a predetermined vote. Mrs. Sparks stated that she was the one who stopped Dr. Harter from getting the nomination on the first vote. She stated she had not spoken to any other person on the Board; that she was not on the Search Committee but had attended the last two meetings and knew that Dr. Shelton was second and knew there were people who supported him. She continued that she also knew, from Dr. John Phillips, consultant to the Search Committee, that Dr. Harter did not want the Presidency on a split vote, which probably would have been 6-4. She had voted "no" so that a second motion could be made and Dr. Shelton's name could be brought up, for two reasons. First, if Dr. Harter had won on a split vote, she may not have taken the position. Secondly, knowing a number of people supported Dr. Shelton and she wanted them to be able to express their views. She stated she felt that was the only way those two things could be corrected. On the second vote Dr. Shelton was not selected; however, views had been expressed. When the selection then came back to Dr. Harter, it was a unanimous vote. She was so informed of the unanimous vote, the media handled the matter that way, and that is what is on the record. Ms. Sparks stated that this had nothing to do with Mr. Graves or Alden or anyone else who supported Dr. Shelton; that she

had done that strictly on her own and strictly on the spur of the moment for those two reasons. Therefore, she continued, if Mrs. Price thought there was a conspiracy here, that was totally incorrect. Mrs. Sparks stated she had not spoken to one other person on the Board at the time of her vote.

Mrs. Price returned to the discussion on Mr. Phillips' votes on the Audit Committee. There were two votes, and the indication to her was that the new people were going to conform to the way of the Board. With regard to the April 15, 1995 meeting, that was the only meeting she had not attended. She stated she was in the System Office at 10 A.M. waiting for the meeting to end because from her perspective the meeting was for the benefit of the Board, and she had later learned that it was very beneficial.

She stated that Mr. Alden was correct in that the information going to the Audit Committee is not correct and the Committee should be doing other things. She continued that the Committee is working to bring about changes. She urged the members to read Dr. Bennett's book. She stated that if she believes there is something wrong within the System, it is her obligation to bring it to this Board. She stated

that she was not making up her allegations, that she had discussed these items with other people. She referred to Mr. Klaich being a tax expert, and he replied that he was not, but the Board had two seminars by Mr. Bill Sutton, who is, and he had not raised some of the concerns that Mrs. Price has found troublesome. Mrs. Price stated there were concerns, the Board has made changes, and those are the first step. Mrs. Price stated that she did see things differently on the Board, but in the best interest of the students and System and they should take due diligence, which means that the problems are to be addressed.

Dr. Derby stated that each member of the Board brings strengths to the Board and needs to work together in the best interests of higher education. She stated that she disagrees with much of what Mrs. Price had raised at this meeting, but not all of it. She stated that she did not like this discussion; however, felt that each member has a right to raise issues of concern. She stated that the discussions on the Foundations have not always been clear, and she would like additional information on donations. It has been her understanding that the donations must be used for those things that are a part of the academic plans of the institutions, and otherwise are unacceptable. The

Board members are the elected representatives of the people and must make clear who is the governing authority and has the right to approve those academic plans. But each member has the right to broach concerns and they should be discussed. She stated she has always been concerned about the Board's public image and did not like these concerns played out in the Press.

With regard to the UNLV search, Dr. Derby stated that it pains her to have this matter continually rehashed. She stated that the process of that search was an entirely open, democratic and collaborative effort on which the institutional representatives had the maximum amount of input, and she was very proud of the people who devoted their time and efforts. She related that they understood that they knew the end of the search would be played out in a politicized environment. She stated that the outcome of the search was consistent with the recommendation that came forward from both the Advisory committee and the Regents Committee, even though it was a bit messy getting there. She related that Mrs. Sparks had explained the actions she had taken and Dr. Derby had appreciated that.

Dr. Derby stated that she would be supportive of some of

the recommendations made by Mrs. Price, not most or any of the charges that she had made. She agreed that there is not enough training for Regents and hoped that could be remedied in the future. Dr. Derby reminded the Board that it is making progress in the evaluation process for its officers. She stated that this Board in some ways is a reflection of the larger society and is saddened that the discourse in all political arenas has lost much of its civility. Dr. Derby related she had attended many sessions on governance as she has gone to various conferences since being on the Board, and felt that other Boards focus on working together and hoped this Board would begin to do that. She has asked in the past for a session on the Open Meeting Law which she felt would assist this Board.

Mrs. Price commended Dr. Derby for the manner in which she conducted the UNLV search, and agreed that the outcome was good, and that the subject had been brought up in this context only because of the situation regarding the media advisory.

Mrs. Berkley stated that she had a different perspective from Mrs. Price; that all the members have had a very difficult time but felt they have progressed a long way;

that there are a number of things in place now for the Board to move forward. She felt the Board has learned from its mistakes, and that a historical perspective is important.

30 years ago, no one had dreamed of such a large System and the duties and responsibilities of the Board have become far more sophisticated and far more difficult through the years. Mrs. Berkley stated that with her time on the Board she has come to appreciate the nuances that each member brings to the Board and has come to enjoy the interaction and interplay. She stated she has lost more votes on this Board than she has won, but has enjoyed the fact that she is winning more in the last few years as a result of a whole lot of work and sweat and tears. Mrs. Berkley agreed that a workshop by the Attorney General's office is warranted. She stated that she was greatly offended that Mrs. Price had felt it necessary to walk out on a dinner, because she does not believe that dinner is wrong.

She continued that it made her very uncomfortable when the members are at a social function and Mrs. Price sits at a table by herself, which she understands Mrs. Price's reason for doing so in her mind, but it makes Mrs. Berkley feel terrible that she is talking with several Regents in a social setting and Mrs. Price cannot. Mrs. Berkley continued that those discussions of family and children and grand-

children and events are very, very important because it puts a "human face" on the individuals.

Mrs. Berkley stated that with the Presidential evaluations the Board has been negligent; however, it is working on changing those procedures through the new Chancellor. His immediate focus has had to be the legislative session, but once that is over there will be tremendous changes. She stated that she does not feel the Board does pay enough attention, but it is something that can be changed; she felt the Chancellor should be present in the legislative halls so that the Board's priorities can ultimately be selected.

With regard to Mr. Graves, Mrs. Berkley stated that she had gone through a few "tough" years on the Board, but Mr. Graves has been very, very helpful; therefore, she sees him in a different light from Mrs. Price. As for the UNLV search, Mrs. Berkley stated she felt that has been a "shining light" for the Board; that it was a lot of hard work and the outcome has been well worth the effort. And when Mrs. Price denigrates that process it is insulting to a lot of people who put in a great deal of time and effort. And she felt it was not Mrs. Price's intention, but it is the

result.

Mrs. Berkley stated that she had voted against the Audit Committee recommendation on the external auditors, because of information she had received; that no one had lobbied her. With regard to the WNCC search, she felt that Mrs. Price should have notified the Chairman of the Committee or the Chairman of the Board when she had received a phone call indicating that person felt the search was predetermined and should not have made such a statement to the Press. She continued that she understands that the Press had called Mrs. Price and further understands how they operate and court a person. She stated it has taken her a long time to learn good boardsmanship, but it is something each needs to work on. Mrs. Berkley stated that the dinners with candidates are a part of a process and it is the only opportunity the people who were voting for a candidate have to interact with the person on an individual basis.

Other than voting for Mr. Massamino's contract, which was a "bad" vote, Mrs. Berkley stated the motives were good, but the Board has suffered a great deal from it. Mrs. Berkley stated the second most difficult vote for her was in voting for the \$1.8 million buyout for Mr. Massamino,

but the alternative was much, much worse. Ticket sales had gone way down and so long as he was still at UNLV, there was a good chance of losing the Thomas and Mack Center. Mrs. Berkley stated that she has had a lot of concern over the Foundations, but progress has been made. But there is a long stretch from having problems in that area and suggesting to the public that there was a conspiracy between the Foundation Board and the gaming community to bring Mr. Massamino to Las Vegas to lose games so that they could book the action. With her involvement in the Hotel/Motel Association and being a Vice President of a major hotel, Mrs. Berkley stated that the issue has not come up. So, when Mrs. Price "paints that very broad brush", it affects a very lot of people and causes a lot of harm.

Mrs. Price stated that with regard to what is needed now is the report from Mr. Morton Galane. She is aware that Mrs. Berkley went to Mr. Galane's office and discussed the matter with him, but she had not done so. And an anonymous donor paid the bill. She felt the Board has an obligation to investigate the matter and can only do so with a report.

Mr. Graves stated that what was presented today he has heard before and it is all "what I can believe", "what I heard", and that he fully believes no one can ever convince Mrs. Price any differently. He stated he did not want to make this personal, yet it is personal. Concerning the UNLV search, he stated that he could have supported every one of the finalists, anyone of whom would have been a tremendous asset to the System. He stated that Mrs. Price had accused him of "unethical, illegal and discriminatory practices." He stated he had voted with his beliefs and conscience, and anything else is wrong. He continued that the Board must work together; that it takes 6 votes to do anything. Mr. Graves stated that when Mrs. Price walked out of the dinner she had immediately called a reporter to relate there were illegal activities going on by the Board of Regents. He asked how that could possibly enhance the working capabilities of the Board. It totally destroys the Board.

Mr. Graves continued that when Mrs. Price puts forth such conspiracy theories as just alluded to between the gaming industry and certain other members of the community, it reflects on each and every one of the Board members. It appears that it was something this Board had talked about

and that Mrs. Price was the Board's spokesman. He asked what Mrs. Price felt she was doing to the Board when she makes such statements as that the outcome of the search has been predetermined. Mr. Graves stated that no one has done as much harm to the Board as Mrs. Price. He stated her attacks on the integrity of the Foundations and of the Treasurer, who has donated 12 years to the Foundation, are an embarrassment to him and to the Board.

With regard to the matter of the Morton Galane report, Mr. Graves stated this Board had given the authority to the Interim President of UNLV on a very delicate issue to be resolved in the best manner. The President brought the issue back to the Board because of the dollars involved.

Mr. Graves stated what he continues to hear is that the rest of the Board is corrupt, they conspire, but that Mrs. Price feels she is the conscience of the Board. He referred to a conflict of interest at the last Board meeting in which Mrs. Price announced she did have a conflict of interest, but did vote on the matter at hand.

Mr. Graves stated that the next item on this agenda -- AB 495 -- is a conflict of interest. He suggested that there

was a "cozy triangle" working between herself and her husband, Assemblyman Bob Price. AB 495 is known as the "Nancy Price Bill" in Carson City, so that Mrs. Price can put anything she wishes on the agenda in order to totally disrupt the manner in which the Board does business.

Mr. Graves referred to an article which had appeared in the "Reno Gazette-Journal" which Mrs. Price had written that reflects on the Board of Regents and is a subject which the Board has never discussed -- banning gaming on all intercollegiate athletics in the State of Nevada, which she had espoused as a Regent. Mr. Graves stated that he hoped one of the outcomes of this meeting would be that the members would no longer criticize one another in the media. He added that he was a guilty party to this and was embarrassed he had done so. However, he had received a call from a reporter stating that Mrs. Price had made statements against him, and which had upset him greatly. He related he had stated that Mrs. Price was derelict in her duty as Chairman of the Audit Committee in bringing the question of the System office organizational chart to meeting after meeting, and in directing the staff advisory group to rank the external auditing firms who had answered the RFP. He also found it a little ironic that by the time he arrived at

the Board meeting Mrs. Price had already made a number of charges against him and other Board members. He stated he felt the entire Board deserved an apology from Mrs. Price, and that he did not intend to apologize to her.

Mr. Graves continued that he was very disturbed with Mrs. Price's votes in opposition to anything that has to do with money for programs, a child care center, and others, when plans have been presented to the Board, with proper documentation. He discussed the fact that there is one Regent who is discouraging donors who have raised about \$20 million a year for the System; that these donors are beginning to question why their efforts should not be directed to other agencies and programs.

Mr. Graves, after prompting from Mrs. Price, referred to the dinner with Dr. Harter in which he had made a statement with regard to Title IX. He related that he had later talked with Dr. Harter and worked through the matter, and yet Mrs. Price, who was not in attendance, has been bothered by this. Mr. Graves stated that the buyout for Mr. Massamino was a business decision and it is defensible.

Mrs. Price stated that she disagreed with a number of the

things Mr. Graves stated she had said. However, she wanted it clear that she had not called the Press after the dinner.

She suggested the Board have a workshop on dealing with the media. With regard to Foundations, Mrs. Price stated she continues to raise those questions because there has never been a meeting to discuss them. She related she continues to state that Foundations are needed and does appreciate the donors and there would be no questions except for the fact of the way the Board elects their officers and how the checks and the property are held. With regard to conflict of interest, she suggested a meeting to discuss that topic and to go to the Ethics Commission with problems. She related she had not run for the Board until after she had completed her course work, although she does enroll for one credit each semester. Other conflicts should be discussed and there are no disclosures so all would know what they are dealing with.

Mr. Graves asked what Mrs. Price was charging him with in connection with the hiring of Dr. Marilou Jarvis. Mrs. Price stated that had to do with temperament and attitude about women. She continued that each one of the incidents is understandable and can be addressed and apologies made, but she is indicating there is a pattern of behavior and

she considers, personally, that Mr. Graves should address this matter either personally or with outside help. Mr. Graves asked for an explanation. Mrs. Price related that in the case of Marilou Jarvis she was looking at an attitude toward women which includes that a person deserves a job if someone finds it for them. She referred to a quote in a news article she had read in North Carolina about a Chancellor "buying a house or buying a President". With Dr. M. Jarvis her concern is around the reporting of a Chancellor and a Vice President, and Mr. Graves' Foundation background, and had concluded that perhaps there is a problem with his attitude toward women.

Mr. Graves again asked that Mrs. Price succinctly state what her charge is against him. Mrs. Price stated that it was where he had interceded to get a job for a woman, but she was not in anyway suggesting that he had done this, but was suggesting that in light of all the things that are there, including the Carol Harter matter, and the two situations with Mrs. Price, that there is an attitude toward women that may be a problem. Mr. Graves then tried to clarify by stating that Mrs. Price felt he had interceded to get Dr. M. Jarvis the job, and in the other case that he had interceded to not give Dr. Carol Harter the job. He

asked Mrs. Price if those were consistent? Mrs. Price replied that they were consistent, and that she was not saying that Mr. Graves feels this way, but she was saying it follows the pattern, as she understands it, where there is an attitude toward women. Mrs. Price stated that in the case of Carol Harter, she earns and deserves the job, and in the case of Marilou Jarvis, Mr. Graves was giving the job to her; that it is a difference between whether women should hold those positions or not without the help of a man.

Mr. Graves stated this was an accusation. Mrs. Price said it was not. Mrs. Price stated she was saying there was a pattern of behavior that is consistent with other patterns of behavior, and had stated on the slide that was presented: "Get Help". Maybe Mr. Graves does not need it, maybe he does.

Mr. Graves responded that a pattern is something a person has done more than once that is consistent behavior and it appears by Mrs. Price's definition that this is inconsistent behavior, so it is not a pattern. Mrs. Price stated that no, it was consistent. Mr. Graves stated for the record, "I categorically deny ever having anything to do whatsoever

in any way, shape or form, of ever picking up the phone or doing anything to help Dr. Marilou Jarvis get the job at DRI. And furthermore, whatever vote I made on the Presidential Search Committee had nothing to do with sex, color, where they lived, what they did. I believe I supported the best person for the job. And the best person ultimately got the job and I am supporting that person."

Mrs. Price clarified that she was basing that on a question by Regent Gallagher to Mr. Graves during the appointment of Marilou Jarvis. Mrs. Gallagher asked what the question was, and Mrs. Price stated that there were rumors circulating that Mr. Graves had been involved and Mrs. Gallagher had asked directly what his involvement had been. Mr. Klaich stated that Mrs. Gallagher had asked Mr. Graves if he had interceded in any way or promised her a job during the Chancellor's search. And Mr. Graves had answered that question, "No".

Mrs. Gallagher stated that Mrs. Price had called this an historical meeting, and truly it was, because it was the first time in her history as a Regent or as any kind of business leader that she has told someone in a public meeting what she thinks about their actions. She continued

that she does not operate this way; that this meeting was very disturbing to her. She related that if she has a problem with someone she takes them aside and talks to them and they arrive at a conclusion.

Mrs. Gallagher stated that Mrs. Price had criticized every member of the Board and, except for perhaps Mrs. Berkley and Mr. Graves speaking up once or twice, that she had held this Board hostage because the Board did not care to reply to her or question her ethics, her agenda or her conflicts of interest in the Press. Mrs. Gallagher stated that this is not the way she does business and resented having to do this now with Mrs. Price.

Mrs. Gallagher stated that she did not think the U. S. Attorney General nor the head of the IRS could change Mrs. Price's idea about Foundations. She stated she would not comment on those items. She stated she was surprised that, after some of the comments about other Regents, the worst she had turned out to be was "a good old boy". However, Mrs. Gallagher stated she had not appreciated Mrs. Price questioning her intent. Mrs. Gallagher stated that unless Mrs. Price asked about the intent, she could not possibly know what it was. Mrs. Gallagher related that she was not

concerned about what Mrs. Price might say about her in the Press because it simply would not change her life at all.

Mrs. Gallagher stated that when Mrs. Price accuses people of doing things they have not done, then Mrs. Price is wrong.

Mrs. Gallagher related she did not know who instructed Mrs. Price about the role of a Regent. She felt the best statement Mrs. Price had made this date was that "I have no governing power". Mrs. Gallagher stated that was a true statement, that Mrs. Price did not have any governing power; that the governing power is with this Board. No one member has any governing power until s/he becomes a part of this 11-member Board, and to get all "shot in the arm" about individual importance is really ridiculous. Because each member is 1/11th of 1 and that is not very much. Mrs. Gallagher stated she resented that Mrs. Price was attacking the members of the Board; that she believes Mrs. Price says things that are not true; that she would stop short of saying Mrs. Price lies, but would say that she speaks absolutely without factual foundation. Mrs. Gallagher related that she felt it was ludicrous for Mrs. Price to question Dr. Derby and the way she conducted the UNLV Presidential

search. Further, Mrs. Gallagher stated it makes Mrs. Price look foolish, because Dr. Derby certainly followed the process. Continuing, Mrs. Gallagher questioned who had given Mrs. Price the authority to question the Board, because it did not come with her election. She wondered why Mrs. Price would question Mr. Graves' attitude about women; that it has nothing to do with the governance of higher education; and why Mrs. Price would question the ethics of all the members of the Board. Mrs. Gallagher stated that Mrs. Price did not have the fortitude to tell her something directly, but had asked Mr. Klasic to see if he would tell her.

Mrs. Gallagher stated that Mrs. Price refers to "they called me" and is seldom definitive. Mrs. Gallagher stated that in this light she has received calls "from the Legislature" to ask what they could do to help the Board with Nancy Price. She stated her answer had been that until the Board discussed this with Mrs. Price, no one could help.

Mrs. Gallagher stated that she was tired of the time taken at Board meetings trying desperately to explain to Mrs. Price about Foundations, because she would never understand it. And there are many other matters that no matter how

much information, or how much explanation is given, Mrs.

Price feels the information is not enough, it's illegal or

it's immoral. Mrs. Gallagher stated she would not spend

anymore time in this manner and did not want to be invited

to any more of these meetings.

Mrs. Gallagher stated she had sent to the Chairman of the

Board a memorandum asking that Mrs. Price be removed from

the TMCC Presidential search because that if Mrs. Price

adopts the attitude as she has with the other searches,

that there would be a problem. She related Mrs. Price

had already made the statement that she was not going to

follow the process used for checking references of appli-

cants.

Mrs. Gallagher asked that Mrs. Price follow the Board

process for discussion of her concerns. She stated that

it is wrong for one member of the Board to tie up staff

time and Presidents' time doing reports and research when

the full Board has not asked for the information. The

appropriate process is to go to the Chairman or Chancellor

and ask for information. Mrs. Gallagher continued that it

was time the Board stood up to Mrs. Price and called a halt

to her actions. She stated that she would not be held

hostage by Mrs. Price any longer, and would no longer sit back while Mrs. Price "heaped coals" on the entire System; that from the beginning Mrs. Price has treated the Board as though it was out to do harm to the System and only she could save it. She asked Mrs. Price to think about what she is doing -- absolute and complete destruction of all that the Board has tried so hard to build. She continued that there are a lot of people, who have tried very hard to build a System of higher education that would be important to the people of the State of Nevada. Mrs. Gallagher warned Mrs. Price that she would not allow this conduct any longer, and that she had had enough.

Mrs. Price stated that the first time she cried while on the Board was at the first meeting, and if she ever felt threatened was when Mrs. Gallagher talked, and had given credit to her for good boardsmanship and being able to get things done. Mrs. Price stated that when she has talked about "intent" it was not about Mrs. Gallagher's good intent but was the good intent of operating in a structure of a "good old boy" system. She stated that she began this day by talking about structure, and with the exception of the response to Mr. Graves question, she had been talking about what the Board would do from here.

Mrs. Price stated she had given the reasons why the Board had gotten here; the main reason was that for 2 1/2 years she could not get an item on the agenda. She related that if the Board had addressed Foundations then, she would not have to raise the questions at every Board meeting.

Mrs. Price stated that the characterization of what she has said and who she has attacked she does not accept. She mentioned that she should have taken each of the quotes (in the media) in turn and explained them. She reiterated that the Board has a workshop session with Bob Auer (from the Attorney General's office), the report from Mort Galane, perhaps a session on how to deal with the media, a session on conflict of interest, and the role of the Regents to be discussed.

Mr. Klaich stated that he understands the Open Meeting Law, which means that when he transacts public business it is done at a meeting, called appropriately by the Chairman, is posted, and the discussion is done at the open meeting. The Open Record Law means that documents that are public documents are the people's documents and they are open. He related that the Board has discussed this, and agonized over it, because from the last search done by the Board to

the next time of a search the law had changed, attitudes had changed, and trends had changed, but the Board had not changed and got "noses tweaked", and there is no great mystical meaning of the words "open meeting". He added that he felt this Board needs to be a little bit better losers. He cited Mrs. Gallagher as being an excellent winner and knows how to work the Board. He continued that Mrs. Gallagher is also an excellent loser, because when this Board acts, no one would ever know how she voted one way or the other. Mr. Klaich stated that is what this Board is not very good at -- that a member brings the business to the Board, action is taken, and that is the decision to be upheld. He cited the action taken by the Board at its last meeting which concerned tuition and fees, and that he had not voted on the prevailing side. Upon his return to Reno he had been interviewed and related the Board's position, defying anyone to determine from that interview how he had voted.

Chairman Eardley distributed a handout on general policy statements of the Board, which are found in the Board of Regents Handbook, Chapter 1. Mr. Klasic noted that there is a prime provision in the Board Bylaws, Article III, Section 5, which states, "No member of the Board of Regents

can bind the Board by word or action unless the Board has, in its corporate capacity, designated such member as its agent for some specific purpose and for that purpose only."

He continued with a review of the procedures contained in the Handbook, Title 4, Chapter 1. There are 4 areas which discuss the responsibility for the Board of Regents to higher education, to themselves, to the Chancellor and Chancellor's staff, and to the responsibility of the Board to the electorate.

Mr. Klasic reviewed Title 4, Chapter 1, Section 2, Part 2 and in Title 4, Chapter 1, Section 5, dealing with role and responsibility of the Board. (Filed with the permanent minutes).

Chairman Eardley stated that many of the Board do realize what the role of the Board is, and that people do become members of this Board to help perpetuate higher education in Nevada. There is a love for the students and the goal is to give them the best education possible. He continued that the Board has become fractured and has become mired in issues that take away from the true goal -- helping the Colleges and Universities to educate the students. It is time to focus on this goal.

2. Opposed Assembly Bill 495

The Board voted to oppose AB 495 in the State Legislature.

This bill would allow any member of any Board to place any item they wished on the agenda for discussion and action.

Mr. Klasic stated this is a proposal to amend the Open Meeting Law. If passed, this Board would have to change a number of its policies. Mr. Klaich suggested that this matter is really none of the Legislature's business how boards internally conduct their business.

Mr. Klaich moved that the position of the Board of Regents feels that this is an inappropriate subject for legislation and that testimony by our officers before the Legislature so indicate. Mrs. Gallagher seconded.

Discussion was held on the Board's policies for agenda items. Mrs. Gallagher stated that it was unusual for a Chairman not to put an item on the agenda when requested, if the agenda item is reasonable and if the Chairman feels there is adequate interest on the part of the rest of the Board for that item. Chairman Eardley stated that the time required for the agenda items is also a factor and cited

the request for a workshop on dealing with media; however, with the press of other business there had not been time to place that item on the agenda.

Lt. Governor Lonnie Hammargren had been present for most of the meeting, but had to leave for another engagement.

Chairman Eardley read his statement congratulating the Board for their spirited open discussion and asked that they get together and work on education.

Mrs. Sparks stated she felt this bill was just one more step in taking autonomy away from this Board. She continued that she was surprised there had not been more accusations on a conflict of interest knowing Nancy Price's feelings and the fact that her husband's name is the first one on that bill. Mrs. Sparks stated she would be extremely uncomfortable supporting a bill like this knowing the interaction and intrigue that is involved. She urged the Chancellor and Chairman to speak very strongly on the Board's position on this and not to allow an outside agency to dictate to the Board. Mrs. Sparks felt that there is not a problem in getting legitimate, valid items on the Board agenda.

Chairman Eardley stated that a number of members, including

Mrs. Price, had indicated a desire to move more items from the main agenda to the consent agenda. However, now that is being done, some of the members are asking to remove items for discussion. He explained to the Board that it is often difficult to determine where the items should be placed.

Motion carried. Mrs. Price voted no.

3. Public Comment

Toni Horne, ASTM President, TMCC, stated there would always be disagreements on a Board, but there must be respect.

Mr. Klaich stated that he had a concern on the statement that "we don't know what the budget is about." He reminded the Board of what it has done in the context of strategic planning, capital improvement planning, time plans that have been printed for review, and the incorporation of all those into the budget process, and for the first time in 10 years the incorporation of the strategic goals into the budget process and translating those into values. He stated that he feels this Board has more strongly incorporated academic and financial planning into one continuum than at any

other time during his tenure.

4. New Business

None

The meeting adjourned at 5:20 P.M.

Mary Lou Moser

Secretary of the Board

05-02-1995