

UCCSN Board of Regents' Meeting Minutes

April 17-18, 1987

04-17-1987

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BOARD OF REGENTS

UNIVERSITY OF NEVADA SYSTEM

April 17, 1987

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

Members present: Mr. Daniel J. Klaich, Chairman

Mr. James Eardley

Mr. Joseph M. Foley

Mrs. Dorothy S. Gallagher

Mr. Chris Karamanos

Mrs. Joan Kenney

Mrs. Carolyn M. Sparks

Members absent: Mrs. Jo Ann Sheerin

Mrs. June F. Whitley

Others present: Chancellor Mark H. Dawson

President Joseph N. Crowley, UNR

President John Gwaltney, TMCC

President George Hidy, DRI

President Robert Maxson, UNLV

Dr. Warren Fox, Vice Chancellor

Mr. Donald Klasic, General Counsel

Ms. Mary Lou Moser, Secretary

Chairman Klaich called the special meeting to order at 1:05 P.M., stating that the purpose of the meeting was to consider a proposal received from Old College requesting affiliation to its school, including the School of Law, with the University of Nevada System. One additional item also was included on the agenda.

1. Approved an Upper Limit for a Bond Issue for DRI

Approved raising the upper limit of a request to seek a bond issue approved by the Board on April 2, 1987 for the Dandini Research Park at DRI from \$4.5 million, not to exceed \$5 million. The increase was needed to provide for flexibility

in covering the costs for bonding service, engineering review, and for Department of Public Works assistance. These expenses were not provided for within the initial \$4.5 million limit. DRI intends to structure the building design and construction concept to minimize its costs. Therefore, it was projected that the entire \$5 million would not be used unless absolutely necessary.

Mrs. Gallagher moved approval to raise the upper limit for a bond issue for the Dandini Research Park at DRI from \$4.5 million, not to exceed \$5 million. Mrs. Kenney seconded.

Motion carried.

2. Considered Proposal for Acquisition of Old College

Chairman Klaich stated that on April 10, 1987, he received a proposal from the Board of Trustees of Old College requesting affiliation of its school, including the School of Law and School of Humanities, with the University of Nevada System. (A copy is filed with the permanent minutes.) Because of an urgency on the part of Old College, the special Board meeting was called to consider the proposal.

Mr. Klaich read into the record a letter from Senator Paul

Laxalt, dated April 16, 1987, requesting serious consideration of the proposal. (Copy filed with the permanent minutes.)

Dr. Allan De Giulio, President of Old College, distributed a letter addressed to the members of the Board of Regents from the Board of Trustees of Old College, dated April 17, 1987, filed with the permanent minutes, referring to two recent studies which point out the need for a law school in Nevada, and pledging assistance during a transition period should the System decide to absorb Old College.

Mr. Bill Boyd, a trustee for 3 years, discussed the quality of the students at Old College, citing that a number had passed the Nevada Bar exam. He urged that the law school be established at UNLV, and stated he felt there was a good deal of community support available in Las Vegas for the school.

Mr. Warren Nelson, Chairman of the Board of Trustees, presented an overview of Old College. The College began in 1980 with a humanities school with classes held behind the Catholic Cathedral in downtown Reno. As the College grew, a permanent structure was necessary, and the Gannett build-

ing became available. Gannett agreed to give the building to the school, although the deed has not yet transferred inasmuch as Gannett is still awaiting authorization from the Internal Revenue Service. Old College renovated the building with a \$1.254 million grant which also included acquisitions for the library. Mr. Nelson described the facility as worth approximately \$8.2 million, and assured the Board that if UNS decided to acquire Old College, the building also would be transferred to the System.

There is as yet an undetermined debt owed by Old College through a loan with First Interstate Bank, secured by the signatures of a number of the trustees of Old College. The building cannot be used as collateral for the debt inasmuch as the deed has not been transferred to Old College.

Mr. Nelson stated his concern is for the students who have graduated, particularly those who have been in the Law School. He emphasized that current studies done by Old College for accreditation purposes indicate that there is a need for a law school in Nevada. Further, he stated the courses taught are geared to Nevada law and gaming in particular, which students going to out-of-state schools do not receive. The Nevada Supreme Court decision allows Old

College graduates to take the Bar exam when they graduate.

However, the State of Nevada does not allow an attorney to practice law unless he has graduated from an accredited law school.

In discussing accreditation of the law school, Mr. Nelson stated that the American Bar Association (ABA) is concerned that the Gannett deed of trust for the building has not been forthcoming. Old College will appear before the ABA April 23 and 24, 1987, for an accreditation hearing.

Mr. Nelson urged the Regents to consider the acquisition of Old College.

In answer to a question from Regent Foley, Mr. Nelson stated he could guarantee that the Gannett property would transfer to the UNS should the Regents agree to absorb Old College, and that he would volunteer to continue discussions with Gannett on this matter.

Mr. John Flanigan, a trustee for 5 years, related that Old College has made a good deal of progress, having paid the price of starting law and humanities schools. He spoke of the substantial library, the solid curriculum and the good

faculty at the College. As a trustee, he stated the demands of the College have reached beyond their capabilities, and that the ABA would only be satisfied if Old College were affiliated with UNS.

Dr. Elaine Wynn, Chairman of the UNLV Foundation, related that she has high regard for Mr. Nelson and the trustees of Old College, and their considerable generosity. She urged the Regents to thoroughly investigate and analyze the need for a law school at this time, stating that probably some time in the future a school would be needed. She pointed out that the integrity and accountability of the Board has strengthened the System; that the prioritized needs of the System have enabled the Foundation to draw on community support. Dr. Wynn also stated that the State Legislature is looking to the Board for leadership in higher education.

During a legislative public hearing in Las Vegas, Dr. Wynn and Mr. Steven Wynn testified concerning the need for increased salaries of System employees. They are working with the Clark County School District to recruit teachers to the Las Vegas area.

Dr. Wynn urged the Board to retain its credibility by standing by the priorities as currently established and to focus

on these priorities. She stated that when a law school is established, she felt it should be housed at UNLV but that, in light of other priorities, such a school is premature.

Mr. Robert Hibbs, former member of the Board of Governors of the American Bar Association and practicing attorney in Reno and Las Vegas, stated he was testifying as an individual.

He has served on evaluation teams for the ABA. These teams, chosen by a formula, consist of a director of a law school, 2 members of law schools, 1 law librarian and 1 lawyer or judge. Schools are evaluated every 7 years.

Mr. Hibbs complimented the prestigious group of Nevadans who had a dream for a prestigious law school in the State. However, he said he felt this is a dream which cannot be achieved through Old College. He stated he felt Nevada cannot afford Old College and cannot afford the stigma of less than a 1st-class law school; that Old College is not accredited and is now asking to be rescued. Mr. Hibbs stated he has discussed Old College with Dean James White, Indiana School of Law, who is the head of the ABA accreditation team for Old College, and questioned whether there would be a difference in the decision to accredit the College if transferred to UNS and the response was negative. Dean White

informed him that if UNS did acquire the College, an accreditation visit would be in order at that time. Also, Dean White relayed that while the accreditation report was confidential, the Regents could request a copy.

Mr. Hibbs suggested several areas the Regents should explore prior to a decision on Old College: admission standards, LSAT scores of students, retention of students, faculty teaching experience and publishing ability. Mr. Hibbs related that the ABA team did not accept the financial records as presented by Old College and subsequently had its own accounting firm conduct an audit. Dr. De Giulio stated that the ABA wanted to have a "Big 8" accounting firm do its audits, and that Old had received a "clean audit" from the firm, a copy of which was sent to Regents last week. Of the 13 faculty, Dr. De Giulio stated only 2 do not have a teaching background. He stated they would have the ABA sent a copy of the accreditation report to the Regents. He urged that Regents review the Old College study on the need for a law school in Nevada, stating that the UNS study is now 10 years old.

He related that the only item keeping Old College from accreditation is the question of financial stability and felt

it would be much easier for UNS to acquire the accreditation. Also, he related that the Northwest Accrediting Association would visit Old College the following week for consideration of regional accreditation.

Speaking as an individual, Mr. Roland Miller, a practicing attorney in California and Nevada, suggested the Regents not base their decision on history, but on the issues: 1) Does Nevada need a law school? 2) Does the University System want a law school? 3) Can the University System afford a law school? If the answers to these 3 questions are in the affirmative, then consideration should be given to the start-up costs and problems of a new school versus a school that has been through the start-up procedures.

Mr. Klaich stated that the position of the Board of Regents for the past 10 years has been that when a law school is added to the System, it would be placed at UNLV, and pledged his personal support for the site. He outlined the procedures for new programs coming into the System, which are that a request is referred to the Academic Affairs Council for review, which in turn refers to those Departments and Colleges on the Campuses for further input and review before decisions are reached. He emphasized that the current leg-

islative session is critical for UNS budgets and that the Regents' first priority is for increased salaries for current employees.

Chairman Klaich asked for comments from the Regents.

Regent Foley complimented Old College for offering all assets as they now stand to a public system, but stated that a definite answer could not be expected from the Regents until the staff had time to review finances, programs, etc. Further, he stated he has always favored a law school for Nevada. Mr. Foley suggested the 1980 Regents Study be brought up to date, that the Regents should renew their commitment to the site for a law school at UNLV, and that the costs for a law school should be reviewed in light of State resources available for the current priorities of the System. He stated the gift of the facility from Old College would relieve the need for capital improvement projects at the northern institutions, citing the needs at UNR, TMCC and the Chancellor's Office.

Mrs. Gallagher agreed that further study is needed before a decision is made, and requested a time limit be set. Further, she noted that the procedures for accepting new pro-

grams within the System can take up to 2 years.

Mr. Karamanos questioned whether Old College would be able to continue through the Fall semester, with Mr. Nelson replying that under the present circumstances it would continue only through the Spring semester.

Mrs. Kenney stated she agreed with Dr. Elaine Wynn's statements, reiterating that the 1st priority of the Board is for increased salaries, and that she favored a study of the situation prior to making a decision.

Mrs. Sparks stated she had a number of questions, and began with how UNS would support the Old College deficit as it now stands. Dr. De Giulio stated he felt a reasonable transition process could be accomplished within 4 to 6 weeks and, in response to another question, confirmed that even if the law school was to be moved to Las Vegas, the Gannett building would revert to the System.

She further questioned that if law and humanities is a package, where would humanities be housed? Dr. Crowley answered that UNR was interested in reviewing the humanities programs, studying the courses, funding for the programs and

where they might be integrated at UNR or at TMCC. Further, Dr. Crowley related that he would like to quell the rumors currently making the rounds that he had been a co-conspirator in establishing Old College. He stated that he was very much aware that the site for a law school within the System had been set at UNLV prior to his becoming an officer of the Board.

Dean Mary Stewart, Humanities School, Old College, stated she felt that Old College was reaching a population not served by the System in that students could take a program for 4 to 5 years during evenings or weekends and earn a degree.

Answering a question from Mr. Eardley, Dr. De Giulio stated that the cost of a law school is \$2-3 million per year. Mr. Eardley commented that with the UNS budgets now under consideration by the State Legislature, there would be a 2-year lapse before UNS would be able to request State funding for a new program.

Mrs. Gallagher questioned the amount needed over the next several years to continue a school, with Dr. De Giulio replying that roughly \$3 million or less over the next 2

years would suffice. Mrs. Sparks questioned whether accreditation would be obtainable after the \$3 million debt is retired, with the answer being affirmative.

In light of the accreditation meeting with the ABA on April 23 and 24, Mr. Klaich questioned what UNS should expect from the ABA. Dr. De Giulio stated that, based on a pre-review of the Old College application by several distinguished and knowledgeable persons, he felt that only the financial stability of Old College was holding up the accreditation for the College. Mr. Hibbs disagreed, stating that without actually seeing the report, he felt there were other problems.

Mr. Eardley noted that there are several notes on Old College which are held by trustees and which are payable on demand. Dr. De Giulio stated that Old College has a line of credit with First Interstate Bank backed by the Trustees, but that it would not need to be paid off for several years.

In discussing the various studies concerning a law school in Nevada, Professor Teich, Old College, stated that the UNS study did not take into account the Gannett building, valued now at \$4.5 million, nor the \$1.2 million library at Old

College.

Mr. Foley moved that the Board of Regents reaffirm the action of the Board that should the University System establish a law school, it will be located in Las Vegas. Mrs. Gallagher seconded. Motion carried unanimously.

Mr. Foley moved that the Board of Regents commend the officers and trustees of Old College for their most generous offer to the University of Nevada System and their pledge for transition, and to immediately refer this offer to the Chancellor and staff, the Presidents' Council and the Academic Affairs Council to analyze all documents and to report back to the Board their findings within 40 days. Mrs. Sparks seconded. Motion carried unanimously.

Mr. Klaich requested that the accreditation report from the ABA be released to UNS as soon as possible, along with all documents so that the officers could complete the study, and further, that the report include comments on the programs and where they might transfer within the System, the financial aspects and, if the recommendation is to acquire the College, the manner in which transition would take place. Mr. Klaich also cautioned in assigning this study that no

pre-supposition to the recommendation or decision is made
by the Board at this time.

The meeting adjourned at 3:45 P.M.

Mary Lou Moser

Secretary

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