

**MINUTES OF THE  
COMMITTEE TO EVALUATE HIGHER  
EDUCATION PROGRAMS  
(Assembly Bill 203 – 2003 Session)**

**July 7, 2004**

The seventh meeting of the Committee to Evaluate Higher Education Programs was held at 9:00 a.m. Wednesday, July 7, 2004, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4401, Las Vegas, Nevada. The meeting was video-conferenced to Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada.

**COMMITTEE MEMBERS PRESENT IN LAS VEGAS:**

Senator Warren B. Hardy, II, Chairman  
Senator Terry Care  
Senator Barbara Cegavske  
Regent Thalia Dondero  
Dr. George Ann Rice  
Dr. Jill Derby  
Mickey Stratton  
Alicia Lerud

**COMMITTEE MEMBERS PRESENT IN CARSON CITY:**

Assemblyman John Marvel  
Regent Marcia Bandera  
Jim Manning  
Jennifer Satre

**COMMITTEE MEMBERS EXCUSED:**

Assemblyman Marcus Conklin  
Assemblyman John Ocegquera  
Dr. James Richardson  
Dr. Kerry Romesburg

**STAFF MEMBERS PRESENT:**

Brian Burke, Senior Program Analyst, LCB Fiscal Analysis Division  
Mark Stevens, Fiscal Analyst, LCB Fiscal Analysis Division – in Carson City  
Gary Ghiggeri, Fiscal Analyst, LCB Fiscal Analysis Division  
Brenda Erdoes, Legislative Counsel, LCB Legal Division – in Carson City  
Joi Davis, Committee Secretary

**EXHIBITS:**

Exhibit A - Agenda  
Exhibit B - Attendance Roster  
Exhibit C - Meeting Packet prepared by LCB  
Exhibit D - Senator Cegavske's Recommendations  
Exhibit E - Proposed Amendments to BDR S-182, prepared by Regent Jill Derby

***Copies of exhibits mentioned in these minutes are on file in the Research Library of the Legislative Counsel Bureau, Carson City,***

*Nevada. The library may be contacted at (775) 684-6827.*

## **1. ROLL CALL**

The chairman called the meeting to order at 9:23 a.m., noting a quorum was present.

## **2. APPROVAL OF THE APRIL 29, 2004 MEETING MINUTES**

SENATOR CEGAVSKE MOVED TO APPROVE THE APRIL 29, 2004 MEETING MINUTES (EXHIBIT C).

REGENT DERBY SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY BY THOSE PRESENT.

## **3. DISCUSSION AND DEVELOPMENT OF COMMITTEE RECOMMENDATIONS AND BILL DRAFT REQUESTS**

Chairman Hardy advised the Committee that three consultant recommendations were held over from the June 17<sup>th</sup> meeting and a number of other potential committee recommendations had not yet been discussed. The chairman addressed the three consultant recommendations first.

Recommendation Number:

### **1. The Board of Regents and Legislature should accept prior decisions relative to the creation of the Nevada State College and the Dental School and focus energy and attention on the state's future.**

Chairman Hardy expressed appreciation to Senator Care and other members who provided comments regarding the consultant recommendations and pointed out that those comments were included in the meeting packet beginning at page 69 (Exhibit C).

Senator Care said regarding the dental school issue, the Committee had discussed the issue at several meetings and there was some dispute about the number of dentists in the state which gave him doubt about the stability of the dental school.

As to the state college issue, Senator Care agreed that more teachers and nurses were needed in the state and that was the premise and mission for the Nevada State College at Henderson (NSCH), but there had been recent discussion regarding the \$9 million shortfall for the first buildings of NSCH to be built. He said initially the pledge was that \$50 million would be raised from private funding sources and he was unaware of the basis of that pledge, but the 2003 Legislature ultimately set the amount needed in private funding at \$10 million. Yet, after all this time, only \$1 million in private funding had been pledged and now \$9 million was being sought from the state to build the facility. He was still of the opinion that the \$9 million should come from somewhere besides the state General Fund.

Senator Care said because of the above uncertainties he would be unable to adopt recommendation #1.

Senator Cegavske concurred with Senator Care.

Assemblyman Marvel asked if the private pledges were still active and if any of the \$9 million needed would be forthcoming. Chairman Hardy indicated that one of the Regents might be able to address that inquiry but he wanted to recognize Dr. Rice first.

Dr. George Ann Rice said the Committee needed to keep in mind that UNLV and UNR would be moving into research institution status at the same time the state college would be properly resourced to accommodate the teacher and nursing shortage in the state. She expressed concern that if the state college was not properly

resourced, the teacher and nursing shortage crisis would only worsen. Dr. Rice cautioned that all goals of the University and Community College System of Nevada (UCCSN) must be viewed together when looking at the status of the state college

Regent Jill Derby, speaking for Interim Chancellor Jim Rogers and other members of the Board of Regents, said it was clear now that start-up funds for a new college could not be funded with private donations. While there were people who had expressed willingness to contribute, there was a sense that those people did not want to contribute to the first efforts of the college. However, promises were made and some people were overly optimistic. Regent Derby indicated there was great support for the college in Henderson and other places as well, but the private donations had not come through and the UCCSN realized from fundraisers throughout the country that it was impossible to raise funds for a start-up project. Once the project was established, those private pledges would likely come forth. She said it was unfortunate that the speculation was overly optimistic, but the first set of consultants—the Rand Study in 1999-2000 revealed that the state college was essential to the future of the state and was a cost effective method in educating the tremendous growth in the state. So, the Board established the first state college in Nevada, with the recognition that more state colleges would follow.

Regent Derby stressed that the first state college was already in place and had graduated its first class; students were enrolled, the teaching and nursing programs and other programs were established and progressing strongly. The NCHEMS consultants, hired for this Committee in 2004, had confirmed the original recommendation made by the Rand Corporation and had indicated that the state college was the most cost effective place to educate students pursuing a baccalaureate education.

Regent Derby said although the state college had been established more funding was needed. She said there did not appear to be an argument that it was critical and necessary but what was unfortunate was the speculation that donations would cover half of the costs of the first buildings at the state college.

Chairman Hardy pointed out that once it was known that the \$9 million shortfall existed for the first building at the state college, the Board of Regents took appropriate action and re-prioritized their capital improvement list so as to not expect additional dollars for the state college.

Regent Marcia Bandera supported Regent Derby's comments adding that NSCH was established but there seemed to be a difference of opinion, depending on who was talking, about who promised what, when and how. She announced that the Regents had re-prioritized the capital improvement project (CIP) request to include the \$9 million needed to build the first buildings at the college. She noted that the original request was for \$3 million but was increased by \$6 million to reach the \$9 million needed. She stressed that reprioritizing the CIP list was a painful experience yet reflected the Regents' commitment to the state college.

Additionally, Regent Bandera said in discussing the \$1 million received in private donations, she reminded the Committee that was not the only contribution received in support of the college. Rather, private funding had been raised through the foundation to start the college and its operating budget. The city of Henderson renovated the building where the college was currently occupied, at their cost. The lease on that building had been extended for 10-15 years at approximately \$1 per year. She noted that other contributions by the City of Henderson had already been made. Regent Bandera urged the Committee to view all of the donations made to date, not just the \$1 million that had been recently pledged for the building.

Regent Dondero thanked Regent Derby for her comments and stated that the negative comments about the state college were difficult to overcome. However, she believed the state college was "here to stay." She related that Jim Gibson, Mayor of Henderson, was supportive of the state college and the Committee should recognize what a good job was being done to get the college established. The college was located on 568 acres of beautiful property that had been donated and she would like to see more support towards the college so the college could function in the community.

Chairman Hardy said he considered the recommendation for the state college concept a cornerstone issue of the consultants' report. He mentioned that much concern and discussion had been expressed regarding the state

college and he did not believe it was productive to be critical of those who committed to raising funds as that commitment was done in good faith. Further, the political discussions surrounding the issue might have played a role in the raising of private funds for the state college. Chairman Hardy said perhaps it was a mistake to make the commitment because there was not much precedent to raise the start-up money for a college. Clearly, the consultants report recognized the critical nature of adding a state college system to increase access to higher education in the state.

Chairman Hardy said the consultants reinforced what the state already knew—that the state desperately needed teachers and nurses and NSCH was an attempt to address that need. Although it might not be filling the immediate need, the long term prospects of the state college addressing not only the teachers and nurses shortages, but also the need of students seeking baccalaureate degrees was strong so the Committee needed to accept that and move forward.

Regarding the dental school, Chairman Hardy said it could be established that there was a need for a dental school but it could also be established that there were other projects that should have taken priority over the need for a dental school.

In order to allow the universities to focus on their research missions as was suggested by the consultants, the state college concept would help to serve the needs of undergraduate level students so he fully supported recommendation #1.

Senator Care said he recognized the need for additional teachers and nurses but he was not willing to accept recommendation #1 which stated “. . . The Legislature should accept prior decisions relative to the creation of the Nevada State College . . .”

Senator Care said that at some point during the 2005 Legislature demands will be made for more money would be made and the Legislature would be addressing the fact that many thought the \$10 million would be raised but since that funding was now \$9 million short, those funds had to come from somewhere else. He stated that during the last meeting he asked if there was a precedence for municipalities or political subdivisions that helped in the cost of building a state institution, recollecting that the City of Mesquite had helped in the building of a community college campus at that location. He asked why the City of Henderson was not able to contribute funding for the state college noting that perhaps the city had contributed but he was simply unaware.

Chairman Hardy said the NSCH was not established solely to address the teacher and nursing shortages, but as the consultants found, state colleges should be the main site for baccalaureate degrees.

Seeing no further discussion on the matter, Chairman Hardy indicated he would accept a motion to approve recommendation #1.

REGENT DERBY MOVED TO APPROVE RECOMMENDATION #1.

DR. RICE SECONDED THE MOTION, WHICH CARRIED. SENATOR CARE AND SENATOR CEGAVSKE BOTH VOTED NO.

2. **The Board of Regents and Chancellor's Office should take proactive leadership in conducting a thorough assessment of the state's needs for pharmacists. If a need is identified, recommend a response that is cost effective (with effectiveness being defined in terms of the broader needs of the state). In making this recommendation, partnerships outside the state as well as within the state should be investigated as should solutions that involve clinical, but not classroom work at sites in Nevada.**

Chairman Hardy said he understood that the consultants had identified the issue of pharmacists in the state and it was his belief that allowing more private institutions to handle that identified need would benefit the state. The chairman clarified that ample time should be given to private institutions to see if the need for pharmacists could

be fulfilled before the state competed with the private entities. Also, he would like to see language in the recommendation stating that the need existed but that the ongoing private efforts should be given priority over any state involvement. In response to the chairman, Mr. Jones indicated he had no further comments.

Regent Bandera said it might be appropriate for the Committee to not act on the recommendation other than to ask that the UCCSN return to the Legislature with a plan for a school of pharmacy. She informed the Committee that in June 2004 the Regents' Health Task Force Committee to which she was chair, dealt with the issue discussed on two previous occasions. A report had been received from Dr. Charles Ruthledge, Professor and Interim Vice Provost for Research, Executive Director, Discovery Park, Purdue University, who looked into the feasibility and plan for offering a school of pharmacy. While the decision of the task force was not what she had hoped for, it was a split decision in terms of coming forward with a dual proposal for a school of pharmacy. Regent Bandera said discussions with the Board of Regents regarding a school of pharmacy were far from over. In fact, another subcommittee would be addressing the issue and then it would go to the Regents as a whole so the Legislature would have an opportunity to see the results of the past and future discussions within the UCCSN during the 2005 Session which would include data, information, cooperative ventures and working with private businesses and private schools. Regent Bandera concluded that recommendation #2 could be premature and the UCCSN together with the Regents were working together on the issue. She surmised that regardless of the task force's decision last June, the final decision and the long term plan was far from being finalized.

Chairman Hardy said it appeared that the Regents had decided to move forward with the concept with some vigor in spite of the unanswered questions. It was also his understanding that advertising was currently underway for positions at the school of pharmacy. Personally, Chairman Hardy asserted that this was an opportunity for the state to encourage a private school, private investment, or a private institution to meet the needs of the state. He would like to see the Committee make a recommendation to encourage that kind of an enterprise, but if that recommendation could not be made as a Committee, he would make it individually.

Senator Care agreed with the chairman. Although he did not know how old the pharmacy school was, the school had apparently been successful and some graduates had secured jobs in the pharmacy field. He said somebody saw a need for a school of pharmacy in the state, took the risk, built the school and met the need in the state. The school of pharmacy was established with private dollars and entrepreneurship.

Senator Cegavske supported the chairman's comments.

Assemblyman Marvel agreed with the chairman's comments and those made by Regent Bandera. He said there was a definite need for a school of pharmacy in the state yet he would encourage a partnership with the private industry also. It was also his opinion that it would be premature for the state to support a school of pharmacy at this time.

Regent Bandera said a question was asked about whether or not the Board of Regents had ever considered a school of pharmacy prior to the private enterprise coming to the state. She informed the Committee that such consideration by the Board occurred in late 1999 and the Board of Regents at that time approved the *concept* of a joint possibility between UNLV and UNR but because of other priorities in the system that concept did not move forward at that time but had been discussed since that time. So, she clarified that the Regents' proposal for a school of pharmacy in some format was not a recent discussion nor in response to private enterprise having come to Nevada.

Regent Derby added that she advocated and supported private institutions coming to Nevada as there were too few in the state. She opined that the UCCSN had almost single-handedly provided for all of the higher education needs in the state and would be pleased to have assistance from private institutions. She stated that when the Board looked at the issue of a school of pharmacy in 1999-2000, although the need was considered, the fact that a public school of pharmacy would bring in many research dollars was also a consideration. Also, it was her understanding that schools of pharmacy drew large research grants and that was desirable for the economic development of Nevada. Regent Derby said the concept of a school of pharmacy was expected to be discussed further and many questions were likely to be raised given the competition for resources and the compelling

needs in the system.

Chairman Hardy thanked Regent Derby for her insight and pointed out that his concerns regarding a school of pharmacy had been addressed to several of the Board of Regents in terms of encouraging private enterprise and he did not want to leave the impression that the Board was adversarial to his thought process. Chairman Hardy indicated he strongly advocated for more private industry participation in the state.

Ms. Satre proposed the language be changed in consideration of the Committee's goal to maintain revenue-neutrality together with the concept of supporting private institution. The Committee discussed possible language changes to recommendation #2. Chairman Hardy suggested the following:

The Board of Regents and Chancellor's Office should take proactive leadership in conducting a thorough assessment of the state's needs for pharmacists. If a need is identified, recommend a response that is cost effective (with effectiveness being defined in terms of the broader needs of the state). In making this recommendation, *private* partnerships *and independent operations* outside the state as well as within the state should be investigated as should solutions that involve clinical, but not classroom work at sites in Nevada.

SENATOR CEGAVSKE MOVED TO APPROVE RECOMMENDATION #2.

SENATOR CARE SECONDED THE MOTION WHICH CARRIED. REGENT BANDERA VOTED NO.

Chairman Hardy noted that the votes on the recommendations would be recorded and included in the final committee report.

**3. The Board of Regents and Chancellor's Office should consider creating the position of Vice-Chancellor (or Director) of Economic Development to lead the System's efforts for being an engine for economic growth and diversification within the state.**

Chairman Hardy stated that Assemblyman Marvel had inquired during the June 17<sup>th</sup> meeting as to the cost of the proposed Vice-Chancellor or Director position. Staff had indicated that cost to be approximately \$200,000 annually with salary, fringe and operating expenses. Another option would be to assign those responsibilities to a current staff member.

Regarding Assemblyman Marvel's question, the chairman indicated that the Regents had not considered the proposed Vice-Chancellor or Director position as a budget item for the coming biennium.

Senator Cegavske asked if the Regents had considered giving the position to an existing employee within the system. She noted that the consultant's report had shown that the UCCSN was fairly "top-heavy" in administrators and asked if someone could move into the position from an existing position, without adding another employee. Chairman Hardy indicated that would be his preference as well.

Regent Derby stated that the Vice Presidents of Research at the universities and DRI primarily worked together in the areas of economic development presently. She asserted that the UCCSN system office was not over-staffed and she did not see the possibility of moving someone from that office into the proposed Director position. She suggested Dr. Larson speak to the issue.

Regent Dondero stated that every President in the UCCSN actively worked on economic development and in fact, Dr. Carol Harter of UNLV was a member of the Nevada Development Authority Board.

Trudy Larson, Assistant Chancellor, UCCSN, said no one was currently in charge of economic development at UCCSN. She added such a position had been of interest to the system office for some time. Dr. Larsen said a Vice Chancellor position was not necessary but as a Director that position could assist in focusing the economic

development and diversity issues throughout the system. She reiterated that the position would likely be best as a Director not as a Vice-Chancellor.

Following up with Regent Dondero's comments, Chairman Hardy asked if she thought the position was necessary. In response, Regent Dondero stated that the position would be important to the UCCSN as a whole, but the presidents of each institution worked on economic development continually. She asked if Dr. Harter wished to comment further.

Dr. Carol Harter, President, UNLV, concurred with Regent Dondero stating that more and more the presidents of the institutions, especially at the research universities, were involved in economic development. She stated she was on the Board for the Nevada Development Authority and worked with that agency regularly to attract new businesses to the community. She added that people coming to the state with new opportunities visited the university to view the business, computer science and engineering programs as potential partnerships and visited with students in those programs who could be potential employees.

Bob Shriver, Executive Director, Commission on Economic Development, commented that in light of funding situations and President Harter's comments supported by Regent Dondero, a logical compromise to recommendation #3 was to create a permanent committee or committees that included himself, institution presidents and the Vice Presidents of Research from the research institutions to study the necessity for such a position. In other words, he would suggest a more formal advisory group be enlisted to provide a recommendation as to the need for a Director of Economic Development.

Chairman Hardy said that was an excellent suggestion. He asked if a BDR would be required or if the Committee could just make a recommendation to establish such a committee.

Brenda Erdoes, Legislative Counsel, said she was hesitant to recommend a BDR to establish the advisory committee proposed because she was uncertain if the Committee could be established constitutionally. Ms. Erdoes advised the Committee of the King case, an action stemming from a bill that created an advisory committee to advise the Board of Regents. She explained that the Nevada Supreme Court ruled that such a committee violated the clause that allowed the Board of Regents to administer the UCCSN. Because that proposal was for an advisory committee, and the proposed committee suggested by Mr. Shriver was advisory, she had concerns. She indicated that the Board of Regents could create an advisory committee but problems occurred if the committee included members of the executive branch.

In response to Chairman Hardy's inquiry, Ms. Erdoes stated that the Committee could make a recommendation to the Board of Regents that an advisory committee be created. However, she would have a concern that if that advisory committee was anticipated to have executive branch members or legislators, then the proposal became difficult.

Chairman Hardy suggested that Committee's comments regarding the discussion of the Director's position stand for the Regent's consideration and proceed no further.

Senator Care advised Mr. Shriver that he would work with him on a BDR for the 2005 Session if necessary.

There being no further consultant recommendations for consideration by the Committee, Chairman Hardy directed the discussion to the potential committee recommendations deferred from the June 17<sup>th</sup> meeting.

### **Potential Committee Recommendations**

Chairman Hardy said there had been much discussion surrounding the definition of "revenue neutral" and although it was not the Committee's intent to tie the Regents' hands from pursuing any available revenues, the concept of revenue neutral dealt with the General Fund. He read the following definition of revenue neutral provided by staff at his request:

1. **The consultant report states that while there will continue to be requirements to add new programs, funding of most of the system's institutions is currently sufficient to allow funding through internal reallocation. To the extent possible, the goal of the committee was to promulgate recommendations that would result in revenue neutrality through reallocation of existing resources. However, to promote opportunities for creative funding alternatives, the committee encourages the chancellor's office and the board of regents to explore all funding options exclusive of the general fund when developing a strategic financing plan.**

SENATOR CEGAVSKE MOVED TO APPROVE POTENTIAL COMMITTEE RECOMMENDATION #1 DEFINING THE TERM "REVENUE NEUTRAL."

SENATOR CARE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

2. **Limit Millennium Scholarship payments to costs related to attendance at the institutions and do not issue checks directly to students.**

Chairman Hardy pointed out that Ms. Lerud provided thoughtful comments regarding the above recommendation (Exhibit C, page 71) and asked if she wished to speak to the matter.

Ms. Lerud said that during previous committee meetings it had been discussed that Millennium Scholarship checks were being issued directly to students. She asked if anyone was available to discuss whether or not those checks were issued separately or together with other scholarship checks.

Tyler Trevor, Assistant Vice-Chancellor, UCCSN, stated that scholarship funds were commingled for students receiving more than one type of financial aid so it was impossible to identify whether the funds were Millennium Scholarship funds or some other grant. Ms. Lerud said that was her assumption. She agreed that Millennium Scholarship funds should not be handed directly to students; however, considering that those funds were commingled with other scholarship funds, she did not know how the Committee or the Legislature would proceed to separate out the funds. Ms. Lerud said she feared that if no attempt was made to separate the funds, it would probably cost more to figure out a system to accomplish that task than it was to just hand over the money to the students. Ms. Lerud said the Millennium Scholarship was intended to cover the cost of credits, but it did not cover the full cost of education just with credits. She went on to state that if a student had additional scholarship funds, the money would be spent somewhere on the student's education costs—books, room & board, etc. Ms. Lerud stated that institutions that issued "full-ride" scholarships included the cost of room & board and books, etc., and some scholarships actually specified that leftover funds can be applied to entertainment. Ms. Lerud asserted that no student would be making money off of the Millennium Scholarship.

Chairman Hardy asked if there was any way the Millennium Scholarship funds could be accounted for separately.

David Longanecker, consultant and Director of Western Interstate Commission on Higher Education (WICHE) cautioned that Nevada's law was written to allow students to be eligible for the federal tax credits; the federal life-long learning and hope scholarships. He expressed concern that the language set forth in the potential committee recommendation, together with the Chairman's comments, if adopted, might make Millennium Scholars ineligible for the federal tax credit. He clarified that the law called for the Millennium Scholarship to cover "costs related to the student's attendance" and that had a special need in the federal lexicon of needs analysis which allowed those funds to apply to educationally-related expenses such as room and board. If the Millennium Scholarship was assigned just to tuition, which was the Legislature's intent but not the explicit language, and all of the tuition expenses for the student had been paid then nothing could be claimed in the federal tax programs. He stressed that if the state constrained the language, then the state could substantially reduce the net benefit to residents because those students would lose out on the federal tax credit. Dr. Longanecker said he was not attempting to speak to the merits or demerits of the proposal, but simply wanted to bring that to the attention of the Committee.



Chairman Hardy asked if the language currently in the Nevada Revised Statutes put students in jeopardy of losing federal tax credits. Dr. Longanecker said the current language did not put students at risk. Chairman Hardy asked if an accounting mechanism could be added to the law regarding the Millennium Scholarship indicating if the student had a credit, the balance could be used on books or anything related to the student's education. Dr. Longanecker said he was not an attorney so did not want to suggest language to the Committee. However, in looking at potential committee recommendation #2, the language was explicitly stating that the funds were to be used for tuition, fees and books and those three items were the definers in the federal tax benefits. He stated if the law remained as “. . . other costs related to attendance” than there was no problem.

Senator Cegavske said the reason she brought up the issue of checks being refunded to Millennium Scholars was because her son was one of the first students to receive a check. She explained that her son was in as much shock as she was that money was returned for dropping a class and signing up for a different class with a different fee and he could use the money for anything. Senator Cegavske said that was a concern and pointed out that there were students who registered for the maximum number of credits allowable and then dropped down to the minimum number of courses required and then that money was returned to the student. She stressed that it was not her intention to jeopardize the students or the federal funding. Rather, it was her goal to ensure that the funds provided to students were being used for the original intent. If there was an account that the money could be placed into for books, lab fees, etc., that would be more accountable.

Senator Cegavske thanked Dr. Susan Moore, Director of the Millennium Scholarship program for her assistance in working with her on the matter and reiterated her concern of developing accountability measures for refund checks to students. She added that when her son received a refund check, he was encouraged to spend the money on school books which he did but that might not always be the case with each student.

Chairman Hardy said it appeared that the norm was that grant funds were made available to students for any purpose related to the student's education. He asked Dr. Longanecker if an account could be established for each student to be used for on-campus purchases.

Dr. Longanecker said he understood Senator Cegavske's concerns but the dilemma was in prescribing how the funds should be used. The state had essentially covered all of the costs legitimately covered by the tax credit thus making the students ineligible for the tax credit. However, the current language which set forth “. . . costs related to attendance . . .” was broad enough to cover books, travel, room & board, etc., all of which were considered legitimate educational expenses by the federal government but not covered by the tax credit. Dr. Longanecker said a good wordsmith could find a way to structure the statute to accommodate all that was necessary for the students. He said the language being discussed gave him concern that the law would be prescriptive in a fashion that would not allow consideration of other costs for purposes of the federal tax credit.

Chairman Hardy said accountability regarding student refund checks from the Millennium Scholarship program was an issue he favored but he did not know whether that was something to be taken up by the Committee or during the Legislative Session.

Tyler Trevor of UCCSN defined a “residual check” that was sometimes received by Millennium Scholars as a balance of a check that was over and above the cost of tuition and fees. He said residual checks were not often issued; in fact, there were only two circumstances in which Millennium Scholars could receive a residual check: 1) If the student paid for the courses in advance; or 2) If the student received two different types of aid and those funds were commingled. In the later instance, a student received a check for anything over the cost of tuition.

Mr. Trevor said if a student started with 15 credits then dropped to 12 credits, that student did not receive a residual check. Rather, those funds were returned directly into the Millennium Scholarship Trust Fund. Therefore, the UCCSN had estimated that residual checks were only being sent to approximately ten percent of the Millennium Scholars.

Dr. Susan Moore, State Treasurer's Office, acknowledged the Committee's concern that students were signing

up for the maximum amount of credits not fully intending to complete those courses in order to receive a return of funds. However, she advised that the system had been quite refined and students did not receive refund checks—those funds were returned to the Millennium Scholarship Trust Fund. Additionally, the Treasurer's Office, in an attempt to inform and make parents and students aware of the ways in which Millennium Scholarship funds could be spent, sent a letter in 2002 to all Millennium Scholars advising them of the funding options. Also, each student received a flyer explaining the statute and use of the funds. This information was provided to every new eligible Millennium Scholar each year so the UCCSN and the Treasurer's Office were attempting to ensure the students were receiving accurate information about the program and the use of funds.

Senator Cegavske said she had another item for discussion; an item she had received many e-mails and phone calls on so she advised her constituents that she would bring the matter up for discussion by the entire committee. She explained that the subject involved changing the residency requirements of the Millennium Scholarship to ensure that recipients were citizens of the United States. She said the Secretary of State had indicated this was not a priority and was not being considered at this time.

Chairman Hardy asked Dr. Moore to address the citizenship eligibility requirements of the Millennium Scholarship.

Dr. Moore replied that the statutes were explicit in setting forth the requirements to earn the Millennium Scholarship and one of those requirements was that the student be a "resident" of the state of Nevada. The word "citizenship" was not used in the statute; the Treasurer's Office had been working with the institutions and the K-12 community on that basis so eligibility was being determined on the criteria established in the statute.

Senator Cegavske said clarifying that United States citizenship was necessary for eligibility would require a statutory change. Chairman Hardy concurred and stated that he would support that recommendation but it may need to be dealt with outside the Committee; however, he said the senator could make a motion if she wished.

SENATOR CEGAVSKE MOVED TO CHANGE THE STATUTE TO REFLECT THAT  
ELIGIBILITY FOR THE MILLENNIUM SCHOLARSHIP BE LIMITED TO CITIZENS  
OF THE UNITED STATES.

Chairman Hardy asked for a second to the motion. Seeing none, he moved to discussion.

Senator Care asked how large the pool of graduates would be if the eligibility requirements of the Millennium Scholarship were changed from a Nevada resident to a United States citizen.

Chairman Hardy said the program was only checking the law that currently existed so presently the administrators of the program were checking for Nevada residency and nothing more beyond that.

Alicia Lerud commented that it did not make sense to limit the scholarship in the manner being discussed because looking at the numbers presented at an earlier meeting, the state was seeing a huge influx of immigration and the state already suffered from one of the lowest college-going rates in the nation. She stressed that changing the eligibility requirements of the Millennium Scholarship program regarding citizenship would make it more difficult for certain students to go to college. Further, Ms. Lerud said the motion under consideration went against all that the Committee was attempting to do—get more students into college, increase Nevada's workforce and diversify the economy. She said the proposal being discussed concerned her due to the basic concept that it would be limiting access to education.

Dr. George Ann Rice concurred with Ms. Lerud. She said the state needed to work on ensuring an educated workforce not limiting access to education. She said it was in the best interest of the state and the residents of the state to give graduates from Nevada's high schools who qualified under the current law an opportunity to pursue their dreams. The privilege of attending college affected not only the state but also the future of the students attending, their current families, and their future families. She saw no benefit to the residents of the state to limit a whole population from the Millennium Scholarship program.

Chairman Hardy acknowledged the other side of the argument.

Regent Derby said she would be voting against the motion and stated that both Ms. Lerud and Dr. Rice made the case well. The motion would not advance the state's philosophy of providing access to education to everyone.

CHAIRMAN HARDY SOUGHT A SECOND TO THE MOTION.

THE MOTION FAILED FOR LACK OF A SECOND.

Chairman Hardy recognized that State Treasurer Brian Krolicki had been present in the audience earlier.

Senator Cegavske said she had another issue for consideration for discussion purposes. She asked if the Committee would consider revising the Millennium Scholarship program eligibility requirement from two years in high school in Nevada to four years in high school in Nevada. She said she was unaware if any tracking had occurred to determine how long students had been in Nevada before being awarded the Millennium Scholarship but it should be reviewed. Senator Cegavske said some of the reason for her suggestions to modify the Millennium Scholarship program was because the Legislature had been informed that the program funds were being depleted and the future of the program was at risk so the criteria should be reviewed.

Chairman Hardy acknowledged Senator Cegavske's comments and indicated he would not be inclined to support that recommendation given the population growth in the state.

Mr. Trevor said two years of residency at a Nevada High School was the current criteria. He further stated that Nevada had one of the highest transiency rates in the nation.

Senator Cegavske reiterated that the issue was being brought forth for discussion purposes only and to find ways to increase the eligibility requirements to the program for the longevity of its existence.

Moving on, Chairman Hardy said the next potential committee recommendation was brought forth by Senator Care.

**3. At the June 17, 2004 meeting, the committee discussed the possibility of limiting UCCSN lobbying efforts to the Regents, Chancellor and the Presidents. The committee requested that this issue be reevaluated at the July 7, 2004 meeting.**

Senator Care said the voice for the UCCSN should be the Regents, the Chancellor's Office and the Presidents of the institutions and beyond that it became confusing. He was not suggesting that the Legislature did not need input in the form of testimony or documentation submitted from faculty members or staff, etc. However, instead of having numerous lobbyists in the building, the lobbying efforts should be confined to the Regents, the Chancellor's Office and the Presidents of the institutions. He added that he saw no reason for private lobbyists to represent the UCCSN because in that instance, taxpayer dollars were being used for institutions to compete for more tax payers' dollars and that did not make sense. Senator Care said that was the basis for his comments.

Chairman Hardy said he was troubled that there were contract lobbyists for each of the institutions competing against other institutions rather than having the UCCSN make its desires known and proceed accordingly. He said he did not have a concern for a contract lobbyist representing the UCCSN but agreed with Senator Care on individual lobbyists for each institution competing for more tax payer dollars.

Trudy Larson, Assistant Chancellor, UCCSN, advised the Committee that Interim Chancellor Jim Rogers recently issued a policy statement that was a composite of all of the institutions and the Board of Regents regarding coordinated lobbying efforts. She said the plan was to include a paid lobbyist and then the Interim Chancellor and his designee would be the principal lobbyists coordinating the efforts for testimony. Further, the presidents, regents and faculty would be available when information was desired from a legislator, but all efforts would go

through the Interim Chancellor's office. She indicated that the lobbying team also included the Governmental Affairs representatives from the institutions.

Carol Harter, President, UNLV, clarified what had been repeated for several sessions previously—that the government relations staff members were not paid with taxpayer dollars and she wanted to assure Senator Care of that fact.

Chairman Hardy said he had been attending legislative sessions for the past 14 years and every year more competition and fighting occurred between the institutions for dollars. He suggested that the UCCSN set priorities and conclude any fighting before even arriving at the Legislature. The chairman indicated that a coordinated effort as was being suggested was a good solution to what had been a credibility issue in previous sessions.

Senator Care thanked Dr. Harter for the information she provided. He stated he was unaware that the government relations staff was not paid by tax payers dollars. He added that he looked forward to the 2005 Session and the new lobbyist policy that was being enacted.

Regent Derby supported the chairman's comments adding that it had always been the goal of the Board of Regents to conclude any disagreements before arriving at the Legislature and unfortunately that goal had not always been met but it was her understanding that goal was to be strictly enforced by the Interim Chancellor.

Dr. Larson echoed Regent Derby's comments and said the UCCSN looked forward to providing sound and helpful information to the Legislature with a single voice of the system's priorities. She thanked the Committee for the opportunity to testify.

In response to Chairman Hardy, Dr. Larson said the Interim Chancellor was currently in the process of interviewing candidates for the position of UCCSN contract lobbyist.

Chairman Hardy asked if Senator Care was seeking a motion or wished to have his comments stand on the record. In response, Senator Care said the comments on the record should stand without any further recommendation.

**4. Recommend that the Treasurer's Office report Millennium Scholarship revenue and expenditure estimates to the Interim Finance Committee in advance of the September 2004 meeting. The report should include a contingency plan in the event that revenues fall short of program needs.**

Chairman Hardy said the above issue had been discussed previously and Dr. Moore had indicated that the report would be available in advance of the September IFC meeting. Chairman Hardy said the Treasurer's report on the Millennium Scholarship should be a recommendation of the Committee. He said in order for that information to be included in the September 2004 IFC meeting, the report needed to be available to LCB fiscal staff by August 20, 2004. Dr. Moore indicated that should be no problem. The chairman asked for a motion.

SENATOR CEGAVSKE MOVED TO APPROVE COMMITTEE RECOMMENDATION #4 THAT A REPORT FROM THE TREASURER'S OFFICE REGARDING THE STATUS OF THE MILLENNIUM SCHOLARSHIP REVENUE AND EXPENDITURE ESTIMATES BE PROVIDED TO THE SEPTEMBER 2004 IFC MEETING.

SENATOR CARE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

**5. Determine whether the Committee wishes to make a recommendation relative to the retention of Indirect Cost Recovery (ICR) revenues.**

Chairman Hardy related that the above issue was difficult for him and he had discussed the matter with many experts in an attempt to receive an explanation that the recommendation was not simply "robbing Peter to pay

Paul.” He said he had yet to receive an answer that would satisfy his concerns. Secondly, he was not entirely sure that the recommendation was within the purview of the Committee nor did he believe that enough information had been received on how the ICR funds would be spent; recognizing that topic had been discussed at great length at other committees. He said nobody had successfully explained to him how the \$10 million “hole” in the budget would be replaced. He would be open to the recommendation if there was information on what the state would do without those funds. Chairman Hardy said he was inclined to inform the budget committees that the matter had been discussed and several members of the Committee thought it was worthy of consideration but believed it should be deferred to the budget committees.

Senator Cegavske said the K-12 education system had also discussed the issue on numerous occasions, and staff could probably articulate better than she about the “hole” and the deficit that would be created if the ICR were reverted to the UCCSN. However, she had an additional concern—that agencies were informed when developing their budgets to order as many supplies as possible in order to spend the money because the money would otherwise revert and never be returned. She expressed concern for that procedure in the K-12 system but was uncertain if the same system operated within the UCCSN. She said the agencies wished the money could be “banked” and then reverted to them when needed rather than requiring the agencies to spend it all at once or lose it. Maybe there would be cost savings if schools were given incentives for not spending all of the funds budgeted. Senator Cegavske agreed that the issue would be best discussed with the money committees.

Chairman Hardy noted the Committee had already approved a recommendation that the UCCSN develop a fiscal plan so Senator Cegavske’s concerns could be considered within that plan. However, he did not want to create a “hole” in the budget and that was what would occur if ICR was allowed.

Trudy Larson, UCCSN Assistant Chancellor, provided an example of what ICR funds could accomplish. She stated the ICR funds were value-added and within the documentation provided by the institutions (Exhibit C, pages 97-124 and 125-127), research dollars came with a 5-1 turnaround. In other words, for every dollar invested, \$5 was returned in research dollars. So, to say that the ICR resulted in \$10 million coming out of the budget was actually not the case because the dollars multiplied significantly at the research institutions. Dr. Larson said the benefits of ICR dollars returning to the institution was that labs could be enhanced, more jobs would be made available, etc. Dr. Larson asserted that the recommendation was simply a different way of looking at research dollars and the UCCSN thought that obtaining the ICR funds was an important pursuit for the research universities of their research endeavors and in support of economic diversification because of the multiplier effect.

Dr. Robert Dickens, Director of Governmental Relations at UNR, stated that he had been familiar with the ICR issue for many years. He asserted that the legislation last session was the first time a BDR had been pursued regarding the ICR. That bill proposed that the institutions generating the research dollars would retain the 25 percent currently allocated to the state and that those dollars would be used to provide a revenue stream to incur bonded indebtedness to build more research facilities to generate more indirect costs. Dr. Dickens said that particular bill received more attention than the issue had previously received in prior sessions so the UCCSN was encouraged by that activity and hence the issue would likely return to the next session. Dr. Dickens agreed that the matter was a budget committee issue and fully understood the chairman and the committee’s position in that regard. He said it was accurate to perceive that the ICR funds being directed to the UCCSN would create a General Fund “hole” but it would also provide a way to augment the fiscal difficulty the state currently had in funding capital improvement projects. Although the proposal would be insufficient to cover all of those needs, it would be helpful particularly in building research facilities while the state pursued construction facilities for undergraduate instruction or other areas.

Dr. Dickens pointed out the ICR was not a carryover, end-of-fiscal year dollar. Rather, the ICR were the dollars allowed by the federal government through the grant and contract process to cover supporting the activities that the research enterprise required within the institutions.

Chairman Hardy thanked Dr. Dickens for his articulate and valid points. He stated in context with the entire budget discussion during a legislative session, he was not certain he would not support the ICR proposal, but it

was a difficult consideration for the Committee at this time. He preferred that the Committee advise the chairmen of the money committees that the item was discussed and the Committee determined it would be more appropriately deliberated at the money committee level.

Dr. Dickens thanked the chairman and said he looked forward to discussing the matter further at a later date.

**6. Continue efforts to improve the articulation process to provide seamless transitions for transferring students and to reduce costs to the student and the system.**

Chairman Hardy said every time the issue of articulation was discussed he received good answers in terms of the plans that were in place to improve articulation, etc., yet it was still a concern and a problem. As chairman, he would like to see a more specific recommendation regarding articulation.

Dr. Chris Chairsell, UCCSN, agreed with the chairman and stated that each time the UCCSN had a change within the system it filtered down to transfer and articulation. She said it was a plus to have just one Board of Regents over the universities, state colleges and community colleges because as she traveled throughout the nation, the states with numerous Boards over the different institutions had difficult transfer and articulation issues. Dr. Chairsell opined that UCCSN had one of the best transfer and articulation policies in the nation, but agreed that the system could not stop there.

Dr. Chairsell advised the Committee that the UCCSN would be re-enacting the statewide articulation board to allow for continued dialog at the grassroots level between the community colleges, the state college and the universities. The articulation board, was expected to consider issues such as reducing the general education core in order to maintain the 2+2 concept of transfer and articulation, the common course numbering process, as well as courses that did not transfer directly into majors.

Dr. Chairsell said the articulation board would be looking at how students were placed in college level courses. The articulation board was expected to work in conjunction with the Academic Affairs Council which was made up of the Provost and Vice Presidents and thereafter the topics were reviewed by the Board of Regents' Subcommittee on Academic Research and Student Affairs. Dr. Chairsell concluded that the articulation process was ongoing.

Senator Cegavske said she had the pleasure of going to Denver, Colorado with Dr. Chairsell to attend a community college conference, along with Regent Bandera. She said if there were no objections, she would like to modify recommendation #6 to say ". . . **improve the articulation and 2+2 processes.** She acknowledged that it was something that was already being done, but she wanted to see it in the language of the recommendation. Chairman Hardy said he had no objection to the language modification. The chairman asked the consultants to comment further on recommendation #6 since it appeared everything was being done correctly, but in reality there were still problems.

Dennis Jones, NCHEMS said he agreed with Senator Cegavske's additional language to recommendation #6 but was not sure how to go any further without getting in the middle of academic policy at the campus and system levels. He added that the system was wrestling with the issue of articulation through appropriate processes so anything he might suggest could be more harmful than helpful.

Dr. Longanecker said a recent study completed by researcher Jane Wellman, Senior Associate from the Institute for Higher Education Policy in Washington DC looked at articulation policies throughout the country and how Nevada had been addressing articulation up to this point was shown to have made some of the most significant differences. Statewide articulation policies in addition to common course numbering systems made a difference and the things that Nevada had already established made the most significant difference, although it did not eliminate all of the problems. He stated there would always be students who did not get the message or who received the wrong information.

Chairman Hardy said another issue relative to articulation was grade point average (GPA). He asked if Senator

Cegavske wished to comment.

Senator Cegavske asked the Committee to consider including the transferred courses when calculating the overall GPA. She thanked Mr. Jones for the conversation they had on the subject and for taking the time to talk with her. In addition, the subject had been discussed at great lengths with Dr. Chairsell while in Denver and at that time, other universities were unsure why the GPA was not included when student credits were transferred. She indicated that universities and community college systems were asked about transferring the GPA of a student along with the credit and although the community colleges supported the idea, the universities had hesitations to do so. Senator Cegavske asked that the matter be considered by the Committee because it affected the students when transferring to another institution as the students sometimes had to wait to take a course because the GPA was not carried over from the initial institution. She said it was her understanding that accepting the GPA was an individual institutional policy, not a national system policy.

Chairman Hardy suggested that the language for the recommendation could be changed to reflect that the UCCSN "consider" including GPA of students at the time of transferring credits and that would give the institutions time to look at the matter further. The chairman asked if there were any comments from UCCSN staff.

Mr. Trevor said each student's academic history was stored within an electronic database that calculated the GPA. However, he pointed out that oftentimes students transferred to other institutions and each of those institutions had different accreditation standards so that was one reason why transferring GPA had been isolated to individual institutions.

Dr. Chairsell said in some cases the courses did not transfer so the universities would be required to calculate the GPA, but the issue could certainly be discussed with the new articulation board. Chairman Hardy said that would be appropriate and he did not see a problem with including the issue within the recommendation.

Dr. Rice said the Committee should be encouraged by the articulation policies already established such as the common course numbering system and the newly established articulation board. In addition, there were practical items that could occur on a daily basis that would have a huge impact on articulation. For example, it would be helpful for counselors and employees from the registrar's office to work with students coming from a 2+2 program entering the state college or one of the universities during the fall semester before transferring to encourage and assist students over any barriers of entering the system. She stressed that finding counselors and employees with positive attitudes to work with the students was needed in making the transfer. Dr. Rice said it was her experience in working with the school districts that people coming from a community college environment could benefit from assistance in getting over the initial barriers.

Chairman Hardy asked if there were any further comments on recommendation #6. Seeing none, he indicated he would accept a motion.

SENATOR CEGAVSKE MOVED TO APPROVE RECOMMENDATION #6 THAT THE UCCSN AND THE BOARD OF REGENTS INCLUDE A STUDENTS' GPA WHEN TRANSFERRING CREDITS AND TO INCLUDE THE LANGUAGE REGARDING THE 2+2 PROGRAM.

SENATOR CARE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

Chairman Hardy announced a break at 11:05 a.m. The Committee reconvened at 11:28 a.m.

## **7. Establish public and private facility utilization partnerships.**

Chairman Hardy indicated that the above recommendation came from Senator Cegavske.

Senator Cegavske said the state's education system had many facilities that were underutilized. She recollected that in previous Committee meetings, she had discussed possible partnerships between the Community College

of Southern Nevada (CCSN) West Charleston campus and Bonanza High School, whereby after 3pm when the high school was empty, the community college could use that facility. She said the high school could benefit from the partnership by receiving upgraded equipment. Further, in addressing Mr. Jones' concern, the community college was close enough to use the high school facilities because the facilities were in close proximity to best utilize all faculty and resources. However, that was not a problem with the two campuses just mentioned. She stressed that the state should be proactive in looking at how partnerships could be developed to save money on construction, etc.

Regent Derby acknowledged Senator Cegavske's comments and pointed out that facility partnerships were already occurring. Further, she noted that the consultants' report included items regarding space utilization and space needs and it was pointed out that actual classroom space, which was what Senator Cegavske was referring to, represented less than ten percent of the state's needs. She did not want to leave an impression that there available classrooms were going unused and by such a partnership the state's space needs would be fulfilled. In reality, and as stated in the consultant's report, the greater needs were for lab space, research space, office space, student services space, etc., not classroom space. In any event, each institution made efforts to utilize facility partnerships when possible, particularly the community colleges.

Regent Bandera said she understood Senator Cegavske's comments to encourage the UCCSN to utilize more opportunities to share facilities and suggested recommendation #7 read ". . . *to continue* efforts to improve public and private facility utilization partnerships." She said throughout rural Nevada there was a great deal of work between private businesses and K-12 schools to utilize facilities and enhance partnerships.

REGENT BANDERA MOVED TO APPROVE RECOMMENDATION #7 WITH THE ADDITIONAL LANGUAGE NOTED ABOVE.

SENATOR CEGAVSKE SECONDED THE MOTION.

Regent Dondero concurred with Regent Bandera's comments about the utilization of schools in the rural areas. Chairman Hardy said staff suggested that the language include ". . . encourage UCCSN *and K-12* . . ." since that was where many of the partnerships would potentially occur.

THE MOTION CARRIED UNANIMOUSLY.

**8. Avoid the creation of 4-year programs at Community Colleges as a general rule, but recognize there are circumstances where such 4-year programs could be justifiably offered by 2-year institutions.**

Chairman Hardy said his main concern was outlined in the consultants' report whereby it read ". . . when 4-year programs are offered by an institution it was hard to sustain an emphasis on occupational programs especially those in the blue collar skilled trades, auto mechanics, construction trades, etc. Over time, the emphasis on such programs diminishes and may be phased out completely."

Chairman Hardy asserted that the above language should be specifically stated in recommendation #8 which set forth the reason for making the recommendation to avoid creation of 4-year programs at community colleges. He acknowledged that the Board of Regents had a policy on 4-year programs at community colleges and his review of that policy was that it was fairly comprehensive but was also worthy of re-emphasis by the Committee.

In looking at recommendation #8, Senator Cegavske directed the Committee to her recommendation sheet (Exhibit D) and suggested expanding the language to state that that all institutions, not just the community colleges, should operate within defined missions. She said the biggest problem in maintaining institution missions was when new administrators were hired and started making changes. However, if the community colleges maintained the concept of what a community college was, there should be no threat for 4-year programs at the community college level. Senator Cegavske said what was being accomplished at Great Basin College was fabulous and she was not interested in taking that away from that institution yet she wanted to shield the



missions of the community colleges.

Chairman Hardy said he wanted to make it clear on the record that the reason for recommendation #8 was to keep the community colleges focused on their missions so that was why he suggested the additional language—to better define why the recommendation was being made.

Dr. Chairsell, UCCSN, said that while she appreciated the discussion of the Committee, the UCCSN master plan defined missions for each institution and made allowances for select baccalaureate degrees at community colleges due to isolation. As was pointed out by Senator Cegavske, other vocational educations were expected to grow extraordinarily, such as technology and it would not be a good idea to not award a student with 119 credits a baccalaureate degree with just a few more credits. She said that the state's workforce would define additional programs that may be needed. The policy was listed in the Board of Regents' handbook and the first statement read that the Board was clear on the principle that community colleges will not abandon the comprehensive community college mission.

Chairman Hardy clarified recommendation #8 was to avoid the creation of 4-year programs at the community colleges as a general rule adding the explanation that the Committee wanted the community colleges to keep their focus. Also, recommendation #8 would include a request to develop a focus and emphasis on following the plan to define and maintain the mission.

The chairman said the above wording wasn't quite right.

Regent Derby said mission differentiation might be a better term. Chairman Hardy concurred.

Senator Cegavske said she liked the wording "should operate within defined missions" and since it was already established in the Board of Regents' handbook, the Committee would simply be reinforcing that concept.

SENATOR CEGAVSKE MOVED TO APPROVE RECOMMENDATION #8 WITH THE ABOVE LANGUAGE CHANGES.

SENATOR CARE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

**9. The Committee may wish to seek further clarification from the consultant regarding recommendations relative to resource reallocation.**

Chairman Hardy indicated that the consultant said it was feasible to reallocate within the framework of the UCCSN's original missions but that reallocation could only be accomplished through strategic planning. The consultant also suggested that increasing the number of students graduating from teacher and nursing programs was more of an issue of developing interest in those programs. The consultants' report also indicated that the institutions were operating fairly well but some reallocation might be needed at the system level. The chairman said although the issue had been discussed at previous meetings, refinement was needed.

Mr. Jones said there was capacity in most of the institutions for reallocation, with the exception of CCSN, which was actually one of the institutions most likely to produce the nurses and teachers needed in the state.

Secondly, Mr. Jones said reallocation had occurred at the University of Nevada, Reno (UNR) by taking funds from one place in the institution and putting the funds elsewhere in the institution. That type of reallocation needed to occur at the campus level; it was not up to the consultants to tell the institutions where to reallocate, even though the Committee had asked. He said it was inappropriate for him as a consultant or even in many ways for the Legislature, to make suggestions to the institutions on where to reallocate funds, but expectations could be established. Mr. Jones said the Legislature could also create fiscal incentives for the institutions to reallocate and that could be discussed in the fiscal plan.

Chairman Hardy asked if the consultants would characterize the Regents' recent decision to reprioritize capital projects to handle the shortfall at Nevada State College as the type of reallocation currently being discussed. Mr. Jones replied that he would characterize that as a reallocation, however, he thought it was also possible to characterize other operating budget reallocations that were program based as a reallocation as well. In other words, it was always possible for operating funds to be reallocated into programs or areas of higher priority. He said the answer from fiscal people at the institutions should not be that something cannot be done because there was not enough money; rather, the answer should be it could not be done because it was not a high enough priority. Establishing those priorities needed to be done at the campus level and in conversations with the Legislature.

Chairman Hardy thanked the consultant for his additional comments.

Dr. Rice directed the Committee to page 62 of the meeting packet (Exhibit C), specifically, the second paragraph of the background information stated: "The consultant also points out that in the matter of teacher education the issue is more one of creating student interest rather than of expanding production capacity." She suggested that the final report state that it might not be in addition to creating student interest, rather the possibility of offering the programs in non-traditional manners existed.

She stated that the Clark County School District was involved in a major recruiting effort to identify people with baccalaureate degrees who would like to be teachers. She explained that 2,500 people completed an interest form and 200 of those were brought into the district's "Grow your Own" program which left 2,300 who had expressed interest. Even if only one-fourth of those were decent candidates, that would equal the production of the university system for an entire year. She suggested that a reallocation of resources might include offering programs in a non-traditional manner such as Friday nights and weekends, odd hours, or different settings. In looking at potential candidates, programs should be designed to meet the needs of those potential candidates. Dr. Rice said those candidates were generally mature working people who could not attend classes five days per week during the regular work day.

Mr. Jones concurred that Dr. Rice's comments were worthy of being included in the recommendation and were in conjunction with a conversation the two of them had a couple of weeks ago.

Chairman Hardy suggested the following language change to recommendation #9:

The Committee concurs with the consultant that with the exception of CCSN, there is room for internal reallocations at the UCCSN institutions. UCCSN should develop reallocation recommendations prior to the 2005-07 Interim for the Committee's consideration. Specifically, the UCCSN should address high priority areas such as the health care field. Additionally, more effort should be made to attract students to the teaching profession where sufficient capacity exists.

He stated that language regarding non-traditional efforts could be provided after the last sentence above.

Chairman Hardy indicated that recommendation #9 might be the place to include Senator Cegavske's concern (Exhibit D, page 1) regarding the elimination of programs with small enrollments.

Senator Care recollected that in a previous meeting packet a chart was available depicting the number of programs that had been eliminated by the institutions over the years. He acknowledged there was a criteria established in creating programs and with the state's growth there would continue to be additional programs. However, he was curious about the elimination of programs since education was fluid and economic changes and technology changes occurred all of the time. He asked if the number of courses that should have been eliminated had been eliminated.

Senator Cegavske acknowledged that the elimination of classes with small enrollments required action by the UCCSN but the Committee could request that the UCCSN prioritize their funds and classes with small enrollments could be an area for review.

Chairman Hardy reminded the Committee that the Board of Regents' policy on eliminating classes was provided at an earlier committee meeting and the recommendation as written would likely take care of itself.

Senator Cegavske thanked the chairman for allowing her comments.

Regent Derby said a policy for program review was in place and was performed on a regular basis by the institutions and there were incentives to do so. Additionally, there was always some resistance for eliminating programs and the Board had to be mindful of eliminating courses or programs while students were in the middle of a program so the process of eliminating a program could take some time. She explained that the incentives involved the reallocation of funds and when a need for new programs was identified the first item for review was to look at programs serving only a few students.

Chairman Hardy said he would accept a motion using his suggested language, including language regarding non-traditional efforts, noting the discussion of classes with small enrollment.

Dr. Rice clarified the language should be class offerings in non-traditional ways.

SENATOR CARE MOVED TO APPROVE RECOMMENDATION #9 AS STATED BY THE CHAIRMAN AND TO INCLUDE LANGUAGE REGARDING CLASS OFFERINGS THROUGH NON-TRADITIONAL MEANS.

SENATOR CEGAVSKE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

**10. The consultant observed several inadequacies related to information/data systems. The committee may wish to explore whether the consultant will be making any recommendations relative to the inadequacies of UCCSN data systems.**

Chairman Hardy asked if the consultants had any additional comments regarding committee recommendation #10. Mr. Jones noted that it was rare for a state to not have a unit records student tracking system. At the system level, student tracking occurred to find what course of study students were on, if students were completing their courses of study, etc., in an effort to improve student success. Mr. Jones said the data tracking system should be occurring at the system level not at the institution level in order to use that information to help the Regents make broad state policy.

Chairman Hardy indicated he would like recommendation #10 to be more specific. He said the state used to have the SMART program for student tracking but that system had recently been changed to the System for Accountability Information in Nevada (SAIN) which was in the process of being implemented.

Senator Cegavske clarified that the newly developed SAIN program was only utilized for K-12 education. She suggested that SAIN be expanded to include higher education therefore being a P-16 student tracking device. She expressed frustration for the lack of sharing of information and student tracking systems. For whatever reason, she said the state had not implemented a good tracking system and previous attempts had resulted in one big money pit. She was hopeful that the UCCSN could develop a program or make suggestions to existing programs, but she believed the state was struggling with continually putting money into programs that were not working all the while still not getting the needed information.

Chairman Hardy said perhaps the recommendation could be that the Committee agreed with the consultants' observations that inadequacies related to data and information systems existed and incorporate Senator Cegavske's recommendation on her handout (Exhibit D, page 1): "The Committee should make a recommendation to improve systems capabilities to provide longitudinal tracking of students' progress not only in higher education, but also in K-12."

Dr. Rice announced that she had been working for two years with the Nevada Task Force of the National

Governor's Association to look at the recruitment and retention of strong teachers. One of the major recommendations of that task force was to develop a tracking system for teachers and nurses from the time those students expressed interest in the program to graduation. As students went through the system, determinations could be made as to why students were "falling through the cracks" which resulted in a "talent drain" and "resource drain." Dr. Rice suggested the tracking continue after the student entered the workforce to find out why those people dropped out of the teaching or nursing professions. It would also be helpful to track how the student was prepared, if the students were prepared through a 4-year traditional program, through a grow-your-own program, or an alternate route, and why students were either successful or did not complete the course. She asked that the recommendation for tracking of students also look at intervention strategies to help stop the talent drain.

Chairman Hardy asked if it was possible to track students after they left the institutions. If so, he would certainly accept the recommendation. Dr. Rice said the person in charge of teacher quality for the National Governor's Association said that such tracking was being accomplished in the states of Virginia and North Carolina and other states so Nevada could "piggy-back" on what those states had done to save a great deal of money in implementing a tracking program.

Assemblyman Marvel asked if a fiscal note had been developed regarding a student tracking program. Chairman Hardy said that had not been done but it was anticipated the fiscal impact would be huge.

Tyler Trevor, UCCSN, said the mechanisms used for tracking graduates who were employed in the state could be done with a link between the UCCSN data systems and the Department of Employment, Training and Rehabilitation (DETR). He explained that the UCCSN had a unit records level student data warehouse that had been used to provide reports to the Committee during this Interim. That system allowed the UCCSN to track students by degree and link those to the unemployment insurance wage database. The UCCSN had made numerous attempts with DETR to establish the link and he believed that continued talks with DETR could produce additional results.

Brian Burke, LCB Fiscal Analysis Division, said as to recommendation #10, the Committee agreed about the inadequacies mentioned by the consultant and incorporated Senator Cegavske's language but he was uncertain what was agreed upon regarding Dr. Rice's comments. Dr. Rice said perhaps the tracking could include the tracking of specific occupations focused on by the state by tracking the students' progress from college through actual employment.

Regent Dondero asked who maintained the tracking records. Chairman Hardy said there were a variety of resources being utilized. Mr. Trevor said DETR's databases included everyone in the state except those in the military or self-employed individuals. At the UCCSN, graduates were matched by their social security numbers with the labor market to produce the number of graduates who went on to be employed in the state. That tracking was done by occupational area.

Brian Burke reiterated that the motion would be that the Committee noted the inadequacies stated by the consultant, include the language on Senator Cegavske's recommendation list, and then include a statement as noted by Dr. Rice that the UCCSN would include tracking the progress of specific occupations not only through graduation but also through various stages of employment.

SENATOR CEGAVSKE MOVED TO APPROVE RECOMMENDATION #10 WITH CHANGES CLARIFIED BY STAFF.

DR. RICE SECONDED THE MOTION.

Jennifer Satre asked if language should be added to the recommendation relating to the "huge" cost involved since all of the Committee's recommendations were supposed to be revenue neutral.

Chairman Hardy said the Committee was simply identifying a need. Any debates as to cost would likely occur

during the next interim committee. Seeing no further comments, the chairman brought the motion back to the floor.

THE MOTION CARRIED UNANIMOUSLY.

11. **At the request of the Committee, the Economic Development Commission, the Nevada Development Authority and the Economic Development Authority of Western Nevada have provided additional recommendations for consideration in Attachment 3 behind tab 3 in the meeting packet.**

Chairman Hardy said there were a number of areas where the economic development agencies' recommendations overlapped but the recommendations were good and worthy of being included in the final report. He asked Mr. Shriver to compile one list of all recommendations along with the name of the agencies participating in the recommendations.

Bob Shriver, Director, Commission on Economic Development, indicated he would be happy to prepare a list of the economic development agency recommendations for the Committee.

Senator Care said in looking at the attachments provided by the economic development agencies (beginning on page 73 of the meeting packet, Exhibit C), he noted some of the comments were merely statements of policy or reinforcement of existing policy goals. He reiterated that he was willing to work with Mr. Shriver and/or Mr. Hollingsworth on enabling legislation, if required, that did not pose any legal problems as identified by Legislative Counsel.

Chairman Hardy said he was encouraged by the level of cooperation that was occurring between the UCCSN and the economic development agencies.

SENATOR CARE MOVED TO APPROVE RECOMMENDATION #11.

SENATOR CEGAVSKE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

Chairman Hardy thanked Mr. Shriver for his efforts and asked him to express appreciation to his colleagues for their participation.

12. As requested by the Chairman, Dr. Jim Richardson provided recommendations to address space shortfalls (especially research space). To take advantage of the impact of research on the economic progress of the state, and to meet the charges to the Committee concerning research space needs, Dr. Richardson offered the following recommendations for consideration:

- **The Board of Regents and the Legislature should establish research space as a high priority, and should work with the Governor to give research space needs reasonable primacy in the allocation of funds available to the State for capital projects.**
- **The Board of Regents and the Legislature should work together with the Governor's Office to find new ways to fund more capital construction that will directly benefit the research space needs of UCCSN institutions.**
- **Ideas could include legislation establishing a state matching pool for construction that would guarantee a state dollar-for-dollar match of private or other funds raised for specific research space projects. Also, there might be consideration for a special bonding initiative to be submitted to the voters specifically to fund needed research projects. Other ideas could include adding a few cents (outside the \$3.64 cap) to the property tax for research capital needs, justified as needed to help develop economic diversification.**

- **The Board of Regents and the Legislature should seek ways to encourage more private-public partnerships to build research space that can be used by UCCSN institutions.**
- **The Board of Regents and the Legislature should find more ways to encourage partnerships between UCCSN institutions and private entities in start-up companies that attempt to develop products and processes that have market potential. Particularly there is a need for “gap funding” which can be used to prove up a concept, develop prototypes, and do pilot and feasibility studies to encourage the incubation of start-up companies built around novel technologies that have been invented or developed within UCCSN institutions.**
- **The Legislature could approve the long-standing request of the Board of Regents to allow the two universities to retain the 25 percent of Indirect Cost Recovery that is now sent to the State General Fund.**
- **The Legislature should expand the Applied Research Initiative that has been helpful and productive of research grants for UCCSN institutions, as well as helping establish relationships between UCCSN institutions and some incubator companies.**

As to recommendation #12, a proposal by Dr. Jim Richardson, Chairman Hardy said he exchanged emails with Dr. Richardson previously and it appeared that the proposed recommendations should be included in the public agenda for higher education and would be more appropriately discussed by the Regents in that forum. He stated he was not comfortable as chairman to discuss the prospective recommendations with this Committee as it did not appear to him that the Committee had deliberated or heard testimony to the point that he was willing to incorporate Dr. Richardson’s recommendations. However, Dr. Richardson’s recommendations were worthy of further investigation, consideration and deliberation so should be included in the leadership role items for the Regents.

Chairman Hardy said Dr. Richardson’s recommendation regarding indirect cost recovery (ICR) should be excluded from the Regent’s review but should not be excluded from deliberations on the financing. Chairman Hardy asked if there were any other comments.

Senator Cegavske said she objected to the third bullet item above. Chairman Hardy said that would be a difficult item for him to support but he did not want to rule anything out as the Regents considered a financial plan. He suggested the Committee make a statement that Dr. Richardson’s recommendations were worthy of further consideration but was not endorsing the recommendations. Chairman Hardy asked if Senator Cegavske had any problem considering the remaining recommendations as items for consideration by the Regents, excluding bullet #3.

Requesting clarification, Ms. Satre asked if Dr. Richardson’s recommendations were to be considered separately or if some were being removed entirely. In response, Chairman Hardy indicated the items would be considered separately.

Commenting on bullet #4, Senator Care said he was unsure if private/public partnerships had been difficult in the past, but it was his experience that with private/public partnerships often the private portion retained some sort of veto power.

Regent Bandera said it appeared to her that Dr. Richardson’s recommendations if voted accordingly, would be sent to the Board of Regents for their recommendations and asked why the public/private partnership language would be sent back to the Regents for recommendation rather than supporting that as the Committee did with recommendation #7 to improve efforts for establishing public and private facility utilization partnerships. She said those two recommendations should be combined. Chairman Hardy concurred and suggested that bullet #4 be removed from Dr. Richardson’s recommendations since it was already included in recommendation #7. He thanked Regent Bandera for her observation.

Regent Derby said she understood the chairman was seeking a recommendation that left out bullet items #3 and #6 but would the Committee be able to discuss those two items separately? Also, she said if the recommendations were to be forwarded to the next interim committee, why would it be limited because the committee could use its own judgment and wisdom in deciding what was worthy of review?

Chairman Hardy clarified that the Committee would be forwarding some specific items for consideration by the Regents but he was not going to limit what could be reviewed. However, there were members of the Committee who did not agree with all of the recommendations set forth so the Regents could consider it regardless of the recommendations coming from this Committee.

Seeing no further comments, the chairman indicated he would accept a motion to include Dr. Richardson's recommendations, bullet items 1, 2, 5 and 7 for the Regent's review.

Regent Derby asked if the language of asking the Regents to review was something separate from the joint committee discussed earlier. Chairman Hardy said it was the joint committee that was being contemplated presently. The Regents would study the matters independently and make recommendations to the new interim committee. Then that committee would make further recommendations being mindful of the Regents responsibilities over higher education.

Assemblyman Marvel said the UCCSN had their own list for capital improvement projects and asked if the recommendations being suggested would get in the way of existing projects in the pipeline. Chairman Hardy did not see a conflict and asserted that existing capital improvement projects should not be affected by the Committee's recommendations as it would be the 2007 Legislature that would be considering the recommendations currently being discussed.

Regent Bandera apologized for belaboring the point but asked if the Committee voted as suggested would the recommendation go the Regents for further study? Also, was the recommendation based on the fact that somehow the items impinged on the legal authority of the Regents if they were to proceed to the next interim study? Chairman Hardy said that was not correct, but that he had expressed concern that the Board of Regents be given the lead on making decisions regarding higher education, but there needed to be legislative "buy-in" for the strategies and plans moving forward.

Regent Derby provided the Committee with her proposed amendments (Exhibit E) to the BDR that would create the next interim committee, stating that the document addressed some of the issues being discussed. However, she was unsure why the recommendations approved by the Committee to this point had been approved with the understanding the recommendations were going to the interim committee to be created for the 2005-06 Interim to develop a public agenda for higher education. Yet, recommendation #12 was being singled out to go back to the Board of Regents rather than directly to the new interim committee. She said she understood the ramifications of the constitutional authority of the Board of Regents but it was important for the future of higher education efforts that these matters be a partnership between the Regents and the Legislature and the public.

In an attempt to clarify his intent, Chairman Hardy stated the recommendations discussed to this point were items the Committee had heard testimony on and had deliberated so the Committee was comfortable making those recommendations. However, he thought recommendation #12 required additional research and deliberation. He stated that ultimately the recommendation would come to the Committee for final adoption but the Board should conduct the research and make a solid recommendation beforehand. Chairman Hardy said the motion would include recommendation #12, bullet items 1, 2, 5 & 7, with bullet item #4 being included with committee recommendation #7 adopted earlier.

SENATOR CARE MOVED TO APPROVE BULLET ITEMS 1, 2, 5 & 7 OF RECOMMENDATION #12 THAT THE BOARD OF REGENTS STUDY THE ISSUES FURTHER AND MAKE RECOMMENDATIONS TO THE 2005-06 INTERIM COMMITTEE BASED ON THEIR STUDY.

SENATOR CEGAVSKE SECONDED THE MOTION WHICH CARRIED. REGENT BANDERA

VOTED NO.

Chairman Hardy directed the Committee to bullet #3 and #6 of recommendation #12.

Senator Care asked if anyone would object to including only the first sentence from bullet #3, which would read "Ideas could include legislation establishing a state matching pool for construction that would guarantee a state dollar-for-dollar match of private or other funds raised for specific research space projects.

Senator Cegavske said she was not inclined to include bullet items #3 or #6 in any form and the items approved in the previous motion were top priority. She asserted that the issue of how things were funded was not within the purview of the Committee.

Chairman Hardy noted that the Committee had recommended that the Regents develop a comprehensive financial plan and it was his concern that including bullets #3 and #6 might be regarded as having preferential treatment over other consideration so it was his preference to exclude #3 and #6 because the Regents would be considering everything when considering a financial plan.

Regent Bandera took the opposite point of view and urged the Committee to include bullets #3 and #6 for consideration under the same premise as the Committee adopted in recommendation #10 dealing with the approval and recommendation for a student tracking database which was apparently a "huge" price tag. She said when applying logic, if there was a need, even if the fiscal portion could not be defined, the need should still be supported. Both bullet items #3 and #6 had been previously discussed by the Committee and should be considered and then the fiscal cost could be hammered out later just as would be done with recommendation #10.

Chairman Hardy indicated he would accept a motion to include bullet items #3 and #6 to the list of recommendations from the Committee.

JENNIFER SATRE MOVED TO APPROVE BULLET ITEMS 3 & 6  
TO RECOMMENDATION #12, AS ITEMS OF POSSIBLE CONSIDERATION.

REGENT DERBY SECONDED THE MOTION.

Chairman Hardy stated he would not be supporting the motion. He then asked for a show of hands in support of the motion.

MS. SATRE, REGENT BANDERA, MR. STRATTON, REGENT DERBY AND REGENT DONDERO VOTED YES. SENATOR CARE, SENATOR HARDY, SENATOR CEGAVSKE, DR. RICE AND ASSEMBLYMAN MARVEL VOTED NO. THE MOTION FAILED FOR LACK OF A MAJORITY.

13. **Subsequent to the June 17, 2004 meeting, Senator Care submitted the following recommendation for Committee consideration: The UCCSN should consider admitting students who have completed high school course requirements, but have not passed required proficiency examinations. The admitted students would be on probationary status subject to criteria established by the Board of Regents.**

Senator Care said it was not uncommon in the Legislature for a bill to be introduced because of just one or two people. However, it was his understanding that approximately 2,800 students from the 2004 graduating class received certificates of completion as opposed to high school diplomas. Although he did not have a great deal of data other than he lived in the same neighborhood for 25 years and watched his daughter go from kindergarten to graduating from Chaparral High School this year, he was aware that students who did not pass the proficiency exam were not entitled to a high school diploma. He said some of those students might not have achieved a high school diploma under any circumstances; however, he was convinced that some students qualified in every



manner for a diploma yet did not pass the proficiency exam.

Senator Care said perhaps a provision could be made for those relatively few students to proceed to higher education on a probationary status with criteria to be established by the Regents. Senator Care said he was informed that high school students were currently eligible to attend the community colleges under certain circumstances so perhaps a similar procedure could be applied to students who did not pass the high school proficiency exam but wished to progress in their education. He added that the psychological impact was strong for students who thought they would graduate and even had been accepted by colleges to then be told they could not attend college. Senator Care said there was a part of him that wanted to say “too bad”, yet he was not convinced that it was always the student’s fault for not passing the high school proficiency exam.

Senator Care said he raised the issue of the high school proficiency exam at the last committee meeting and there was no data, no research, nor was the item on the committee agenda but he brought it up in conjunction with the notion of getting people into higher education.

Senator Cegavske said that currently the UCCSN allowed high school students to enroll in community college courses during their junior/senior years so she would be interested in knowing why that would be any different for a student who failed the high school proficiency exam. Chairman Hardy asked someone to speak to the process of a student going into higher education without a high school diploma.

Dr. Chairsell replied that the very foundation of the community college mission was America’s promise that all generations had an opportunity for higher education. She stated the UCCSN took that mission seriously; students who did not pass the high school proficiency exam were allowed to attend the community colleges through open admission. Those students probably should enroll in the community colleges anyway because they would receive the emotional support, smaller classes and the remediation necessary in order to prepare them to move into the harsher environments of a college or university education.

Dr. Chairsell stated that Senator Cegavske brought up a good point about trying to identify students’ deficiencies early in high school, such as benchmarking students, giving students opportunities to take placement exams, and take early ACT exams to learn the student’s deficiencies so teachers had data available to review and intervene with the student’s education and instruction and hopefully enhance the students’ senior year. Dr. Chairsell said the UCCSN believed that enhancing the student’s senior year, not letting the senior leave at 11am, would be the best thing in preparing the student for college.

Chairman Hardy said there might be problems with the proficiency exam that needed to be addressed.

In follow-up, Senator Care commented that he did not know the extent to which seniors realized they could enroll at the community college without passing the proficiency exam. He said that was tricky because the last thing anybody wanted was the senior to say “I don’t have to pass the proficiency exam because I can still go to college” but another scenario was if a student received a certificate of completion then attended community college for one year, was that student precluded from then transferring to a 4-year school in the state, even though that student never received a high school diploma?

Dr. Chairsell said it was her understanding that once a student had demonstrated work at the community college level, with the student’s GPA and the college credit, a student could transfer to a university.

Senator Care said that being the case, he would not be making any sort of recommendation at this time. To the extent that it could be done, he thought the UCCSN needed to let counselors and high schools know that there was still a place within the community college system for students who did not pass the high school proficiency exam.

Dr. Chairsell said many high school students decided to attend college during their last semester of their senior year and that caused some issues. She stated what she would be coming away with from the Committee was that the UCCSN needed to work on building bridges, not only from high school to college but also between the institutions and in course work. She added that Nevada State College at Henderson (NSCH) representative,

Dr. Lois Becker had indicated that a student could transfer to that institution from a community college with 12 credits.

Chairman Hardy said if there was no recommendation on that subject, the Committee would proceed to the next item, which was to review the recommendations approved at the June 17<sup>th</sup> committee meeting to ensure there were no changes. In addition, the Committee would be discussing the Bill Draft Request (BDR) and addressing some informal language contained in the consultant's report that might be revisited (page 65, Exhibit C):

2.b. If UNLV is to emerge as a research university, it will have to become more selective and admit only students who are prepared for, and can take advantage of, an academic institution focused more on research and economic development and less on the care and feeding of lower-division students.

Chairman Hardy said it was desirous to find another way to say " . . . the care and feeding of lower-division students." He stated that all of the recommendations approved by the Committee at the June 17<sup>th</sup> meeting were contained in the meeting packet (Exhibit C, beginning on page 65) and perhaps additional votes should be taken to confirm those recommendations. The Committee would also be discussing the proposed BDR and issues regarding adult literacy.

Regent Derby directed the Committee to modifications (Exhibit E) she made to the BDR (page 129, Exhibit C) which established the new committee for the 2005-06 interim. She clarified that her proposed amendments to the BDR were intended to be talking points and not necessarily specific language changes.

Regent Derby said the UCCSN hoped that the next interim committee would be a partnership between higher education, the Legislature and others in terms of creating and developing a public agenda for higher education. She expressed concern that if the committee recommendations were simply sent to the Regents to develop recommendations to an oversight committee, the desired results would not occur.

Regent Derby suggested the BDR begin with a preamble discussing the partnership in terms of the next interim committee to change the name from the *Committee to Evaluate Higher Education Programs* to the *Committee to Advance Higher Education in Nevada*. She asked the consultants to comment on the matter and added that the Board developed a master plan that was approved in 2002. That master plan attempted to make a public agenda by holding round tables at each end of the state. She said that those round tables were assisted by WICHE but the Board was disappointed with the turnout at those round tables, even though there were fair amounts of people from business and industry, the public and the Legislature.

Regent Derby said even though a master plan was developed at that time which was a public agenda for higher education, she did not believe there was a public "buy-in" at that time. Having been through that experience, the Regents were sensitive to the future of the next committee and if the next committee represented more of a joint venture, there might be a better opportunity for success. She asked if Mr. Jones could address the issue.

Chairman Hardy said he would like to vote on Regent Derby's suggestions to the BDR individually after Mr. Jones' comments.

Mr. Jones said it was his experience that when issues were developed jointly the end result was successful. He stressed the importance of everyone to work together for overall "buy-in."

Senator Care said the composition of the proposed new committee was troubling. He said his comments were not intended to be personal or offensive but he thought a problem existed with the Legislature creating a committee that was composed of legislators and members of the other branch of government in which both branches of government had voting power. He acknowledged that the Legislature needed the input of the Regents and representatives of the institutions but the charge of the committee should remain with the legislative branch. He commented that the current interim study was one of the most productive committees to which he had served. However, he was unsure he could vote to create a committee that was composed of the two branches of government with both branches having voting powers, especially if it was the same number of

members from each branch. He pointed out that he sat on other committees with private citizen members who had a vote and he was unaware of the legality of the issue so perhaps legal counsel should comment.

Ms. Erdoes said the Legislature had a theory that advisory committees were okay and could be composed of members of different branches of government but that theory was unproven no case law in Nevada was available. The Legislative Counsel believed that as long as no functions of government were carried out by the advisory committees, then the separation of powers doctrine was not violated. Ms. Erdoes added that there had been many advisory committees throughout the years based on that theory but no challenges to date had occurred.

Chairman Hardy noted that with the new committee, the Regents would be charged with making recommendations but what was being sought at this time was legislative buy-in. Hence, their mission would not be damaged because it was presumed there was buy-in from both agencies.

Mr. Jones added that when other states began similar activities, the executive branch, the Board of Regents and Legislature each had items of concern or items that were necessary for implementation so the committee composition simply set forth an agenda.

Senator Cegavske said she was disappointed that during the existing committee, one Assembly member did not attend any of the committee meetings yet no replacement was ever made. Also at today's meeting, which was the final meeting of the Committee, only one Assembly member was present so a quorum from both Houses was not present. She suggested that the BDR for the new committee contemplated for the 2005-06 Interim include a provision that a legislative quorum was necessary from each House.

Secondly, Senator Cegavske expressed concern about the voting powers of the Committee in light of the different perspectives of the members. For instance, it was her charge to look at how to help or work with the Regents. Whereas, the Regents were looking for funding mechanisms to accomplish what was needed. In that regard, she would like to amend the BDR to include that a quorum from each House be required for voting purposes.

Chairman Hardy said the legislative quorum language was usually standard for most committees but apparently it was not included in Assembly Bill 203 of the 2003 Legislature which created this Committee.

Senator Care agreed that a partnership was necessary so maybe another committee was the answer. He asked if there were similar committees that were composed of legislative members and others but only members of the Legislature had voting power. He reiterated that he wanted the input of the Regents but he was bothered by the separation of powers doctrine. He asked if the committee could include several different members but restrict the voting power to the members of the legislative branch.

Regent Derby stated for the new committee to be an effective initiative, there needed to be buy-in; that it was a joint venture, that it was a partnership among the representatives of higher education and the Legislature and others. For that reason, the voting rights of the members representing each sector was necessary.

Brenda Erdoes said there had been committees in the past in which only the legislative members were allowed to vote. As was pointed out by Assemblyman Marvel, the Legislative Committee on Prison Industries was currently such a committee.

Regent Bandera said she supported the recommendations submitted by Regent Derby (Exhibit E). Speaking through the chairman to Senator Cegavske, Regent Bandera stated the two of them had a wonderful discussion in Denver recently and one of the issues in Nevada was the inability to come together as groups to do long-term, concrete planning as equal partners. She said the proposal presented by Regent Derby spoke to that in a positive way. She said the issue was not about a legislative decision and the system coming for funding strategies only. Rather, the issue was to look at long range planning for higher education. Regent Bandera pointed out that the current committee had discussed many issues over the past year and many of those matters revolved around elements of long-term planning. Having equal buy-in and equal support made a difference. Strategic plans that come and go every two or years were not valuable to taxpayers and citizens. Whereas,

sitting together as equal partners was valuable and that was the recommendation from Regent Derby so she would urge the Committee's consideration.

Returning suggested preamble (Exhibit E), Chairman Hardy asked if the word "equal" could be removed so the sentence read ". . . to work together as partners in developing a public agenda for higher education in Nevada." In addition, the word "committed" should be corrected to "committee." Regent Derby concurred with the corrections.

REGENT DERBY MOVED TO APPROVE THE PREAMBLE OF THE BDR WITH THE CHANGES NOTED ABOVE BY CHAIRMAN HARDY (BULLET ITEM #1 OF EXHIBIT E).

REGENT DONDERO SECONDED THE MOTION WHICH CARRIED. REGENT BANDERA VOTED NO.

Chairman Hardy directed the Committee to bullet item #2 of Exhibit E which would amend the name of the Committee from the *Committee to Evaluate Higher Education In Nevada* to the *Committee to Advance Higher Education* which more accurately stated the mission of the committee moving forward.

REGENT DERBY MOVED TO APPROVE THE NAME CHANGE TO THE COMMITTEE TO ADVANCE HIGHER EDUCATION (BULLET ITEM #2 OF EXHIBIT E).

REGENT DONDERO SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY. Chairman Hardy read bullet item #3 to the BDR:

Amend Section 1 of the BDR by deleting subsections 2 and 3 of Section 1 concerning the membership of the committee and replace it with language designating the following members:

- 5 members of the Board of Regents, appointed by the Chairman of that Board;
- 5 members of the Legislature, appointed by the Chairman of the Legislative Commission; and
- 2 members with knowledge and experience in higher education, appointed by the Governor.

Chairman Hardy said it had been suggested that perhaps equal members of the Assembly and Senate was needed so that would make the above number 6 instead of 5 and asked if that was acceptable to Regent Derby, who concurred.

Regent Derby said the above composition of the proposed committee would be voting members, but it was not her intention to exclude the non-voting members because it was important to have those members' input as well so she would ask that the non-voting membership be included to the above list.

Chairman Hardy reiterated the composition of the membership of the proposed committee:

- 5 members of the Board of Regents, appointed by the Chairman of that Board;
- 6 members of the Legislature (3 Senate/3 Assembly), appointed by the Chairman of the Legislative Commission;
- 2 members with knowledge and experience in higher education, appointed by the Governor; and
- 4 non-voting members from the private sector as currently constituted.

REGENT DERBY MOVED TO APPROVE BULLET ITEM #3 OF THE BDR PROPOSAL (EXHIBIT E) REGARDING THE MEMBERSHIP COMPOSITION OF THE COMMITTEE WITH

THE NOTED CHANGES ABOVE.

REGENT DONDERO SECONDED THE MOTION.

Senator Cegavske asked if language could be added that if a member did not show up for two meetings then that member would be replaced. She asserted that the problem was very apparent during the existing Committee and the Committee needed the ability to replace a member with an alternate. Regent Derby indicated she would accept that provision as an amendment to her motion.

Ms. Satre acknowledged Regent Derby's earlier remarks on the lack of public buy-in during the roundtable discussions held at UCCSN when developing the master plan, so it was her opinion that having only two members appointed by the Governor from the public diminished that role. She suggested that membership be increased.

Chairman Hardy said the non-voting members had been added to the composition of the committee in an effort to provide additional input.

Continuing, Ms. Satre reiterated that there was a greater buy-in when a member was allowed to vote so if there were only two non-Regent, non-Legislator members able to vote the importance of the public buy-in was diminished. She recommended that the number be increased to at least 3 but preferably 4.

Senator Cegavske clarified her recommendation was that if a member missed two or more consecutive meetings, that member would be replaced by an alternate, with those alternates being appointed at the time the committee was formed. She added that alternate members should be named for all voting members.

Upon Chairman Hardy's inquiry, Regent Derby accepted the appointment of alternates to the motion under consideration. Regarding Ms. Satre's suggestion to increase the public appointments to the committee from two members to three members, Regent Derby concurred with that as well. Regent Dondero, having seconded the motion agreed with the additions noted.

Noting Senator Care was out of the room, Chairman Hardy asked Legal Counsel if the motion could be brought back for a vote at a later time. Upon Ms. Erdoes' opinion, Chairman Hardy tabled the motion until Senator Care returned.

Moving to bullet item #4 of the Proposed Amendments to BDR S-182 (Exhibit E), Regent Derby directed the Committee to page 130 of the meeting packet (Exhibit C), which was page 2 of the BDR, #5 which read that the director of the LCB would provide the necessary professional staff and secretary for the committee. Regent Derby offered the Chancellor's Office staff to be partners with LCB staff on the committee.

Chairman Hardy asked if Regent Derby's suggestion would create a separation of powers issue. Brenda Erdoes, Legislative Counsel, said Regent Derby's suggestion would confuse the issue. However, if the Committee chose to make that change to the BDR, she would recommend the Committee's function be designated for purposes of categorization.

Chairman Hardy thanked Regent Derby for the generous offer and noted that the UCCSN staff would be available to assist without being specifically referenced. Regent Derby noted that the language used in her suggestion was "working groups" and wondered if that made a difference.

Senator Cegavske said the assistance of the UCCSN could be a known commodity that legislative staff could call on UCCSN staff as needed. Chairman Hardy said that model was being followed already and the language was not necessary in the current committee.

Dr. Larson said in contemplating Regent Derby's suggestion, it was clear that UCCSN staff was familiar with higher education issues and therefore could develop components and issues that LCB staff did not simply because of background and knowledge. She stated that the UCCSN wanted to assist the committee in a more proactive manner to ensure that UCCSN was assisting the functioning of the committee.

Chairman Hardy said the matter could be addressed when the committee was established but it did not need to be addressed in the BDR. Regent Derby said that was acceptable.

Chairman Hardy recognized that Senator Care had returned and restated the previous motion.

ALTER THE COMPOSITION OF THE COMMITTEE TO INCLUDE 5 MEMBERS OF THE BOARD OF REGENTS, APPOINTED BY THE CHAIRMAN OF THE BOARD, 6 MEMBERS OF THE LEGISLATURE (3 SENATE/3 ASSEMBLY), APPOINTED BY CHAIRMAN OF THE LEGISLATIVE COMMISSION, 3 MEMBERS WITH KNOWLEDGE AND EXPERIENCE IN HIGHER EDUCATION APPOINTED BY THE GOVERNOR, AND 4 NON-VOTING MEMBERS AS CURRENTLY CONSTITUTED. ADDITIONALLY, IF A MEMBER MISSED TWO CONSECUTIVE MEETINGS, HE/SHE WOULD BE REPLACED BY AN ALTERNATE WITH TWO ALTERNATES BEING APPOINTED IN EACH OF THE VOTING CATEGORIES.

THE MOTION CARRIED. SENATOR CARE VOTED NO.

Continuing with her proposed amendments to the BDR, Regent Derby directed the Committee to the draft BDR on page 131 of the meeting packet (Exhibit C) and pointed out that several portions of section 2 were duplicative to the charge of the committee so she would suggest the removal of subsections 1-6 of section 2. She suggested that the charges of the newly created committee be placed in section 2 by using suggested bullet points (Exhibit E) as well as a summary of what the committee had approved for the newly created committee.

Ms. Lerud said she would like to retain subsection 1 of section 2 of the draft BDR, with the addition of a couple of words so the sentence would read: "*Continue to examine and evaluate the need in this state for existing and potential higher education programs to ensure economic progress and development within the state of Nevada and to ensure that the educational needs of its residents are being met.*" She stressed that the issue of economic diversification was not solved by the existing committee and although the matter had been discussed for 20 years, nothing had been accomplished.

Regent Derby agreed to retain subsection 1 to section 2 of the BDR.

Seeing no further comments on the issue, Chairman Hardy indicated he would accept a motion.

DR. RICE MOVED TO APPROVE THE PROPOSED AMENDMENT TO THE BDR TO REMOVE SUBSECTIONS 2-6 OF SECTION 2, AND ADD THE CHARGE OF THE NEWLY FORMED COMMITTEE WITH THOSE ITEMS APPROVED BY THE EXISTING COMMITTEE. SUBSECTION 1 WOULD BE CHANGED TO INCLUDE THE WORDS "CONTINUE TO" AS SUGGESTED BY MS. LERUD.

REGENT DERBY SECONDED THE MOTION WHICH CARRIED. SENATOR CEGAVSKE VOTED NO.

Chairman Hardy asked if there were any other changes to the BDR. Seeing none, he noted that section 6 of the BDR appropriated \$250,000 for the hiring of a consultant. However, he did not see that the newly formed committee would be hiring a consultant so he would suggest that the \$250,000 appropriation either be reduced or eliminated.

Chairman Hardy asked staff to comment further. Gary Ghiggeri, Senate Fiscal Analyst, Legislative Counsel Bureau Fiscal Analysis Division, said if the new committee was formed as a legislative commission study no funding for the operation of the committee would be needed. Chairman Hardy stated he would accept a motion to eliminate section 6 of the BDR which would eliminate the appropriation.

In response to Regent Derby's inquiry, Chairman Hardy indicated that removing section 6 would not eliminate the funding for the committee to operate; adding that operating costs of an interim committee would be handled under a separate budget item under the Legislative Commission. He asked staff to clarify further.

Mr. Ghiggeri said if the committee was adopted as an interim study stemming from the Legislative Session, it would be funded by the Legislative Commission. If the committee was not adopted by the Legislature then funding would be required.

MICKEY STRATTON MOVED TO ELIMINATE SECTION 6 OF THE BDR.

REGENT DONDERO SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

Chairman Hardy asked if there was anything further to take up regarding the BDR.

The chairman indicated the Committee would be reaffirming the decisions made at the June 17<sup>th</sup> meeting. Returning to page 65 of the meeting packet (Exhibit C), recommendations approved by the Committee at the June 17<sup>th</sup> meeting, Senator Cegavske asked that the third sentence to recommendation #1 be changed to: "With this in mind, *the evaluation should include an examination of the costs and funding sources associated with the plans.*"

SENATOR CEGAVSKE MOVED TO CHANGE RECOMMENDATION #1 PREVIOUSLY ADOPTED BY THE COMMITTEE ON JUNE 17<sup>TH</sup> TO INCLUDE THE ABOVE LANGUAGE CHANGE.

Seeking clarification, Regent Derby said given the language of the preamble to the BDR just adopted by the Committee, it would appear that the language should be aligned with the new name of the committee. Chairman Hardy stated that the committee had not changed its name or mission yet as it was just in the BDR stage so it should remain as stated.

SENATOR CARE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

Senator Cegavske asked if the Regents were making any changes to student tuition for 12 months instead of six months. Chairman Hardy asked that the record reflect Dr. Larson indicated the answer was "yes."

Next, Senator Cegavske suggested the following new recommendation: "The UCCSN should expend additional effort in partnering with K-12, especially grades 6-12, to encourage eventual participation in higher education." She stated that students in middle school could be asked about careers of interest and once those students began high school, the UCCSN could assist them in selecting the proper courses at the community college and university level.

Senator Cegavske said her comments were merely suggestions. She said the above language might be included in some fashion in the committee recommendations but more specification might be needed.

Regent Dondero asked how the system was currently working with the counselors within the school districts. In response, Dr. Rice said it was her understanding that such a partnering with K-12, as suggested by Senator Cegavske's recommendation, was already occurring. She stated that counselors worked with students already but perhaps more materials could be available in the career center.

Chairman Hardy said for clarity, he would accept a motion to include request #9 from Senator Cegavske (Exhibit D) with instructions to staff to find an appropriate place for the item in the report.

SENATOR CEGAVSKE MOVED TO APPROVE RECOMMENDATION #9 TO EXHIBIT D.

DR. RICE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

Senator Cegavske's recommendation #10: "The UCCSN should improve the effectiveness of its teaching programs to avoid the need to retrain teachers upon completion of their formal education. The UCCSN should

develop a program evaluation process to ensure that students in the teacher education program are learning the required subject matter.”

Senator Cegavske expressed concern for the money being spent on remediation after students completed college. Additionally, she was disappointed that the Committee did not address how the colleges were teaching students to be teachers to prevent the need for retraining. She stressed if the issue of training teachers was properly addressed than the money being used to retrain teachers could be used in other areas.

Chairman Hardy suggested that Senator Cegavske’s recommendation be included with the list of Dr. Richardson’s recommendations generated by the Committee for the Board of Regents to review and report. Senator Cegavske agreed.

SENATOR CEGAVSKE MOVED TO APPROVE THAT THE RECOMMENDATION REGARDING TEACHER TRAINING BE INCLUDED WITH THE LIST OF DR. RICHARDSON’S RECOMMENDATIONS TO BE REVIEWED BY THE BOARD OF REGENTS.

DR. RICE SECONDED THE MOTION.

Dr. Rice advised the Committee that the Clark County School District (CCSD) was recruiting and hiring over 60 percent of its teachers from out-of-state. So, even if the programs within the state were perfect, there would still be almost 70 percent of the teacher workforce from programs all over the country. In addition, Dr. Rice pointed out that the CCSD had been working with the Interim Dean at the College of Education at UNLV and had begun a shadowing program with new faculty to shadow a recent UNLV graduate in an at-risk school so the student could experience the environments of which students were prepared. In addition, ride-alongs into the neighborhoods where students lived were offered, and the teacher students spent one day working with curriculum and one day in accountability and research in order to see what the teachers were up against.

THE MOTION CARRIED UNANIMOUSLY.

Senator Cegavske said her next recommendation dealt with exit interviews. She related that her son was a UNR student graduating in December 2004 with a teaching degree and a political science degree. In following him through the last five years and looking at students who had been in the teaching program, she noted that approximately half of the students were not continuing into the teaching profession. Senator Cegavske said she was troubled by that fact and suggested that an exit interview of the students who majored in one field than chose another would be helpful.

Additionally, Senator Cegavske recommended that graduates with education degrees should be periodically tracked to determine whether or not they entered the teaching profession. She recognized that Dr. Rice could probably address her concerns.

Dr. Rice said she agreed that tracking information was vital because for a student to invest two years in a major or program such as teaching, then decide the program was not for them, or worse, if the graduate went into the teaching profession and then changed professions after only one or two years, was tragic for the student and the school district. She said that Senator Cegavske’s comments were in line with what the Committee had already approved in recommendation #10 from the original recommendations. Also, Dr. Rice said the Nevada Task Force associated with the National Governor’s Association just went live with an exit survey for statewide tracking on what was occurring with teachers. Data from this survey could be disaggregated according to how the teachers were trained, where the teachers came from, how their students performed, etc.

Senator Care, acting chairman, recognized Senator Cegavske for a follow-up question then recognized Alicia Lerud.

Senator Cegavske confirmed with Dr. Rice that the tracking method currently in place was for students graduating from the teacher education program.

Ms. Lerud excused herself from the Committee as she needed to attend a class. She thanked the Committee



members for allowing her participation. The Committee thanked Ms. Lerud for her assistance with the Committee.

Getting back to the idea of exit interviews, Senator Care commented that teachers who chose to leave the profession/program could not be forced to participate in an exit interview. Additionally, he pointed out that the Legislative Commission's Subcommittee on the Open Meeting Law as Related to the Board of Regents would be meeting on July 13<sup>th</sup> and the issue of documents had been discussed at those meetings. He expressed concern that the exit interview documents could become public documents and might be sensitive in some cases so requests to have the names redacted might occur. He said the Committee might want to consider some immunity, absolute or quantified, but the public would like to know why students were not finishing a degree in education or why teachers were leaving the profession.

Chairman Hardy apologized for being away from the meeting and asked if the Committee had determined that exit interviews would be a recommendation from the Committee. Chairman Hardy said he would accept a motion and in light of Senator Care's comments, the motion should include that exit interviews could not be enforced.

SENATOR CEGAVSKE APPROVED THE RECOMMENDATION FOR EXIT INTERVIEWS.

SENATOR CARE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

Chairman Hardy indicated that a fiscal note might be associated with the exit interview recommendation.

Continuing, Senator Cegavske said recommendation #12 (Exhibit D) read "The UCCSN should establish performance measurement criteria for programs designed to fast track teachers." She stated that there was a nationwide concern about the "fast-tracking" method of getting teachers into the teaching profession. She asked how that tracking was occurring currently and how students were affected by the fast-tracking methods. She suggested that performance indicators or other performance measurements be established if not already in place.

Chairman Hardy asked if Dr. Rice had any comments regarding Senator Cegavske's concern.

Dr. Rice said although Senator Cegavske used the term "fast-track" she thought the more appropriate term was "non-traditional methods of preparing teachers." She stated that teachers from non-traditional programs were evaluated in the classroom under the same standards as teachers from traditional methods. She added that by the time students completed a non-traditional teacher training program, they had taken exactly the same classes and performed the exact same work as students in a traditional teacher program, except that the student teaching was accomplished while in charge of their own classroom with a mentor.

Dr. Rice added that non-traditional teacher training programs were used only in areas where critical teacher shortages were identified to the State Department of Education under Assembly Bill 555 of the 2001 Session. That law indicated that if all efforts for recruitment had been attempted but no quality applicants were available, then an alternative method could be proposed. Dr. Rice said that 99 percent of the applicants coming into non-traditional teacher training programs were mature individuals who had been successful in other careers but discovered that they should have been teachers. She stressed that these "career changers" became very strong teachers for the school district and were evaluated under the same system as traditional teachers. However, she indicated she was not opposed to establishing performance measurement criteria to measure teachers' performances in that system because schools were only interested in receiving the best teachers.

Regent Derby said she was not opposed to the recommendation but thought that performance measurements were already in place at all of the institutions.

Dr. Rice added that the CCSD had a number of programs that were not part of the UCCSN. She explained that the CCSD offered the UCCSN programs first shot at any of the non-traditional programs but if there was no interest or resources, CCSD went outside the UCCSN to provide the programs being developed. For instance, Dr. Rice said CCSD went through San Jose State, CalState Dominguez Hills, New Mexico State University, Las Cruces and Utah to offer quality programs in a particular area if the school was willing to help.

SENATOR CEGAVSKE MOVED TO APPROVE THE RECOMMENDATION THAT PERFORMANCE MEASUREMENT CRITERIA BE ESTABLISHED FOR PROGRAMS DESIGNED TO FAST TRACK TEACHERS.

SENATOR CARE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

Senator Cegavske said she had no further formal recommendations in writing but did have additional items to discuss. She asked if a list of the policymakers who met with the consultants could be provided to the Committee. Also, she stated that she had not been advised of the roundtables that were held during the Committee's activities and although Regent Derby indicated that she attended, every member should have had that opportunity.

Continuing, Senator Cegavske stated that she HAD a copy of the Regents' master plan and thought it would be a good idea for the Legislature to develop a 10-year plan for education, including both K-12 and higher education.

Chairman Hardy said Senator Care had a couple of items he wished to address.

Senator Care said he brought up a topic at the last meeting but no discussion was held so he wanted to see if there was an appetite for discussion now. He asked if there was a way to attract students to the UCCSN from out-of-state to remain as teachers and nurses in the state. Such a program could include a tuition waiver, a housing stipend or something along those lines, to encourage students to register in those programs in Nevada.

Chairman Hardy said Senator Care's suggestion would be an appropriate recommendation as part of the study in looking at alternative methods of increasing teachers and nurses into conventional programs at UCCSN institutions.

Regent Dondero stated that some states, such as North Carolina, offered students scholarships upon completing a program and working two years in that state, the scholarships would be repaid, with the cooperation from the local banks. Chairman Hardy asked if the matter could be included with the Committee's earlier recommendation to have the UCCSN look at non-traditional ways of providing programs to students.

Dr. Rice said Senator Care's proposal had been discussed in the past, but what precluded the matter from proceeding was that any tuition decrease to out-of-state students decreased the resources available to the UCCSN so that fact must be considered. She added that if the incentives were large, it could diminish the resources available through tuition that might be available to the UCCSN.

Senator Care thanked the chairman for his consideration noting that there was a BDR on the subject already on file for the 2005 Session and perhaps the Attorney General's Office was the proper legal arm for the Board of Regents. He expressed concern that if a recommendation came from the Committee or if the Legislature passed such legislation, would certain institutions be obligated to rely upon the Attorney General rather than UCCSN counsel? He said the matter might be better discussed at the July 13<sup>th</sup> meeting on the open meeting law.

Chairman Hardy asked if staff could research the matter since he was certain the issue would be discussed on July 13<sup>th</sup>. He suggested that any additional matters that might be better suited for that meeting be submitted to staff in advance of that meeting.

Senator Cegavske asked Dr. Rice to provide an update on the state's efforts of recruiting teachers using non-traditional methods, adding that a recent article in USA Today was very informative on how such methods were working throughout the nation. Chairman Hardy asked if Dr. Rice could submit her response to Senator Cegavske's inquiry in writing to the Committee as it was important but time was not available for discussion presently.

Chairman Hardy asked if Vicki Newell was present to discuss adult literacy. Chairman Hardy stated that the Committee adopted a recommendation that the Board of Regents and the Chancellor's Office should examine

the role of higher education in addressing adult literacy, especially basic literacy skills of young adults. Later, the Committee adopted a recommendation stating that the Legislature should assign leadership for dealing with the burgeoning adult literacy problems in the state to the Board of Regents. He stated that might be an inappropriate conclusion at this point and if the Committee agreed, he would entertain a motion to eliminate the conclusion and maintain the recommendation for the UCCSN and the Chancellor's Office to examine the issue of adult literacy.

DR. RICE MOVED TO ELIMINATE THE CONCLUSION FROM THE EARLIER RECOMMENDATION REGARDING ADULT LITERACY.

REGENT DONDERO SECONDED THE MOTION.

Aims McGuinness, NCHEMS, said he wished to clarify an item in the consultants' report as a point of context—having staffed adult literacy task forces in a couple of states, including Kentucky. The Committee needed to:

1) Recognize the important role of everyone connected with secondary education in adult literacy, but secondly to recognize the people who were not involved in higher education but were critical to adult literacy efforts; and

2) Recognize that the words used regarding policy leadership was to **not** transfer responsibility for operations solely to the Board of Regents because a high percentage of the expected participants in literacy programs were adults, so the Board of Regents needed to work in partnership with everyone to provide more visibility.

Mr. McGuinness said the community colleges were doing a fraction of what they could be doing and needed to be doing. So, he opined that the Regents had visibility and leadership, but should work in partnership with others.

Chairman Hardy thanked Mr. McGuinness for his helpful comments and suggested that language be added acknowledging the importance of working with non-higher education entities regarding the issue of adult literacy and then have the Chancellor and Regents examine that role. Chairman Hardy suggested a language change: That the Committee acknowledged or concurred with the consultants' recommendation . . . Mr. McGuinness provided a suggested language change to read as follows: "That the Board of Regents provide leadership in cooperation with other educational entities." In response to Chairman Hardy, the persons who made the motion and seconded the motion agreed to the changed language.

THE MOTION CARRIED UNANIMOUSLY.

Vicki Newell, Executive Director of the Northern Nevada Literacy Council in Sparks, Nevada, and Project Director of Nevada's Statewide 18-24 year-old Credential Initiative, explained that the Initiative had been in the making for approximately 18 months having been started by Governor Guinn and the then Superintendent of Public Instruction, Jack McLaughlin, to address the high percentage of 18-24 year-olds in Nevada without a high school diploma or GED.

Ms. Newell thanked the Committee for allowing her a couple of minutes to provide a brief overview of the existing structure of adult education in Nevada. She explained that the adult high school diploma program was established in 14 school districts and funded through the Distributive School Account (DSA). Four of those school districts also provided adult high school diploma programming for the corrections institutions within their district areas.

Ms. Newell stated the adult high school diploma program handled students who were credit deficient students and ESL students. She stated that these students were funded through the DSA at \$15,503,943 for school year 2003-04, with \$9,857,182 of that going to traditional adult high school programming, while \$5,549,761 went to Department of Corrections. She advised the Committee that over 14,000 students were enrolled during school year 2002-03 and 3,174 of those students during that time received their adult high school diploma or GED.

The other side of the adult education system in Nevada was the adult basic education programs—nine programs

total, four of which were housed at the community colleges. Ms. Newell said adult basic education programs were funded through the adult education and family literacy act Title II of the Workforce Investment Act, which included a state match to the federal funds. For fiscal year 2002-03, the federal funds to the program totaled \$2,895,879. Ms. Newell explained that those funds were allocated to the programs through a competitive grant process and each program required a state match.

Ms. Newell said 7,000 students were enrolled in the adult basic education programs last year and approximately 80 percent of those students were English Language Learners (ELL). She stated the program had high accountability standards with education consultants from the State Department of Education overseeing those standards.

Ms. Newell stated that benchmarks were the current emphasis in both the adult high school diploma program and the adult basic education program. Further, the programs were held accountable for the numbers of students matriculated from ESL to GED, and the GED students matriculated into higher education or post-secondary training.

Ms. Newell concurred with Dr. Rice's comment that students were intimidated by the campus atmosphere. However, four of the adult basic education programs were located at community colleges and in some of those instances, such as at CCSN, the program was actually located off-site. In other instances, adult basic education programs were located throughout the community for effective accessibility to the students. Also, WNCC conducted an adult basic education program through the Friends in Service Helping (FISH) facility, which was also very effective. Additionally, Great Basin College was looking into the matriculation factor between the adult basic education program and the community college itself through computer training—the students received college credit while attending computer training, which was a part of the student's adult basic skill training. At TMCC, discussions had been held with the Northern Nevada Literacy Council to get low-level ESL students to an on-campus, advanced ESL program. At the same time, that advanced ESL student would be attending college classes for adult basic skills.

In conclusion, Ms. Newell said typically an adult education student attended 12-16 hours of instruction per week, in conjunction with taking care of their families and working full or part-time jobs.

Chairman Hardy thanked Ms. Newell for taking the time to provide an overview of adult literacy in the state. Seeing no questions or comments, the chairman continued with the discussion regarding committee and consultant recommendations.

Senator Cegavske advised the Committee that the LCB Audit Division recently performed an audit of UCCSN statewide programs and although it was not discussed by the Committee, she thought it would be a good idea for the Board of Regents and the Committee members to receive a copy of the report. She indicated the audit was expected to be available by March 21, 2005. Further, she had been informed that the UCCSN had agreed with all of the recommendations and findings of the audit.

Chairman Hardy indicated that a formal motion was needed to accept the consultant's report and ask the consultant to finalize the report for inclusion in the Committee's Report to the Legislature.

REGENT DERBY MOVED TO APPROVE THE CONSULTANTS' REPORT FOR INCLUSION INTO THE COMMITTEE'S FINAL REPORT.

MICKEY STRATTON SECONDED THE MOTION.

Dr. Rice suggested that the Motion include "with the suggestions made by the Committee." Chairman Hardy said to the extent the consultants were comfortable with the recommendations those would be in the final committee report. He clarified that it needed to be said but it was separate from the Motion because the consultant should have the ability to issue their report as they see fit.

Senator Care related that he had gone through three Interims and he had found this Committee to be the most productive and progressive. He pointed out that he made an exception earlier in the day regarding accepting

prior decisions as to the state college and the dental school. Although he was not going to vote against accepting the consultants' report, he wanted it understood that his objection to the language accepting the state college and the dental school remained.

Regent Derby acknowledged and thanked the consultants for bringing forth the national information about what had been in states such as Georgia, North Carolina and Arizona, and other states that had taken the time to look at its future in higher education and economic development. She said that reviewing the higher education systems in those states gave the Committee vision as to what was possible in Nevada and would assist the next interim committee.

Senator Cegavske thanked the chairman and extended appreciation for the diverse opinions of the committee members. She said everyone conducted themselves respectfully even through disagreements. She thanked the chairman for his leadership and thanked the consultants for their assistance.

Chairman Hardy thanked everyone for their kind words and thanked the consultants, noting that the money they received as consultants was not easily earned. There being no further comments on the motion, the chairman brought it back to the floor for a vote.

THE MOTION CARRIED UNANIMOUSLY.

## **5. OUTLINE OF FORMAT AND ITEMS TO BE INCLUDED IN FINAL COMMITTEE REPORT**

Chairman Hardy asked if the Committee had any comments or concerns regarding the outline of the report. He indicated that staff would be directed to finalize the report and forward it to the Committee, the Board of Regents and the Legislative Commission as required by Assembly Bill 203.

DR. RICE MOVED TO ACCEPT THE FORMAT AND ITEMS TO BE INCLUDED IN THE FINAL COMMITTEE REPORT.

SENATOR CARE SECONDED THE MOTION WHICH CARRIED UNANIMOUSLY.

Chairman Hardy announced that the final report will be provided to the Board of Regents, the Committee, the Legislative Committee on Education and the Legislative Commission. In addition, he asked that any additional comments or noted errors be provided to staff no later than August 15, 2004.

## **6. PUBLIC COMMENT**

There was no public comment.

## **7. ADJOURNMENT**

Chairman Hardy expressed appreciation for the work of the consultants and the committee, whose efforts produced a product to which everyone should be proud. He extended appreciation to LCB staff: Brian Burke, who was unbelievable in meeting the needs of the committee and being responsive to the questions posed, Gary Ghiggeri who was always dependable and hard-working, Mark Stevens and Legal Counsel Brenda Erdoes, who he had come to respect as much as anybody in the legal profession, Kelly Lee and Joi Davis. Continuing, Senator Hardy thanked additional LCB staff, Cheryl Harvey, secretary to the committee in Carson City, Becky Wood who handled the LCB 3-way video conferencing meetings, Melissa Aguon, Felicia Richardson and Virgil Hopper in the Las Vegas Office, who were always helpful.

The chairman thanked the UCCSN for their cooperation, including the working group with Dr. Jane Nichols, and Dani Chandler for her assistance with 3-way video conferencing at UCCSN, Carl Diekhans and Patty Elliott in Elko at Great Basin College. Chairman Hardy thanked the economic development agencies and all of the members of the public who attended, expressed concerns and provided input on the issues of higher education.

There being no further business to come before the Committee, the meeting was adjourned at 2:14 p.m.

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Joi Davis, Committee Secretary

Approved by:

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Senator Warren Hardy, Chairman

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Date