

**Nevada Office of the Western Interstate Commission for Higher Education
(Nevada WICHE Commission) Minutes**

Nevada System of Higher Education
System Administration Building
2601 Enterprise Road
Reno, NV 89512
Zoom

This meeting was conducted by the use of a remote technology system pursuant to Nevada Revised Statutes 241.020(11). Members of the Nevada Office of the Western Interstate Commission for Higher Education (Nevada WICHE Commission) and/or the public could utilize the remote technology system to attend and participate in the meeting, including to provide public comment.

Friday, March 17, 2023, 3:30 pm

Members Present: Mr. Fred Lokken, Executive Commissioner
Ms. Cathy Dinauer, Commissioner
Mr. Dale Erquiaga, Commissioner

Others Present: Ms. Patty Porter, Director, Nevada Office of WICHE
Ms. Carrie Parker, Deputy General Counsel, NSHE
Ms. Renée Davis, Interim Vice Chancellor, NSHE Department of Academic and Student Affairs and Community Colleges
Ms. Donna Healy, Executive Assistant, NSHE Department of Academic and Student Affairs and Community Colleges

Executive Commissioner Fred Lokken called the meeting to order at 3:30 pm.

1. Information Only – Public Comment

There was no public comment.

2. Approved – Minutes

The Nevada WICHE Commission approved the minutes from its February 6, 2023 meeting. (*Ref. 2-WICHE Commission Meeting Minutes, February 6, 2023*)

Commissioner Erquiaga moved approval of the February 6, 2023 meeting minutes. Commissioner Dinauer seconded. Motion carried unanimously.

3. Commissioner Updates

- Commissioner Dinauer noted that she is prepared and registered for upcoming regional WICHE Commission meeting in Phoenix.
- Executive Commissioner Lokken shared that he has reached out to Senator Pete Goicoechea, Nevada State Senator, regarding SB342; there may be some problematic areas that may need to be addressed in a creative way.
- Executive Commissioner Lokken stated that Jane Nichols will be attending the upcoming meeting in Phoenix; all past WICHE chairs will be recognized at that meeting which will have an 70th Anniversary event Monday night of the meeting.

4. **Director Update**

Director Patty Porter shared the following updates:

NV WICHE Loan and Stipend Budget Hearing on February 21, 2023 at the Nevada Legislature

- a. Regional WICHE President and CEO Demarée Michelau and Executive Commission Lokken were in attendance. President and CEO Demarée Michelau was recognized by Commissioner Erquiaga.
- b. Director Porter presented the Nevada WICHE 2023-2025 budget before the Assembly Committee on Ways and Means and Senate Committee on Finance. Commissioner Erquiaga and Director Porter responded to questions primarily related to outreach and justification of reinstating the PSEP Veterinary Medicine slots. Director Porter thanked Commissioner Erquiaga for assisting with the presentation.
- c. The Nevada WICHE Administration Budget will be discussed in another hearing which is presented by LCB and Director Porter will be present in case there are questions in April 2023.
- d. Director Porter thanked the Commissioners for their support as well as Andrew Clinger, CEO, NSHE, Renée Davis, Interim Vice Chancellor of Academic Student Affairs and Community Colleges, and the NSHE Finance/Accounting and Academic and Student Affairs (ASA) teams.

Discussion:

- Executive Commissioner Lokken echoed the appreciation for NSHE staff expressed by Director Porter and noted that the entire WICHE budget has been shifted to NSHE.

Update on Stipends Dispersed in 2022-23

- a. Professional Student Exchange Program (PSEP): \$673,079 or 36 continuing participant stipends. Remaining 2022-2023 slots to fill for new PSEP participants are two Physician Assistant slots and one Occupational Therapy slot (\$54,025). Director Porter is working with regional WICHE to reach out to PSEP schools and is preparing the PSEP application.
- b. Health Professional Education Program (HPEP): \$194,400 was spent for six continuing and 19 new stipends. Remaining 2022-2023 slots to fill for HPEP participants include one Advanced Practice Nursing and one Gerontology Nurse Practitioner (\$12,700). Contract signing is in process.
- c. Psychological Internship Consortium Program: \$112,500 has been transferred to DPBH.
- d. Loan and Stipend balance: \$64,125.52. The total amount needed to fill remaining 2022-2023 PSEP and HPEP participant slots is \$66,725. Anticipate additional loan repayment revenue will come in to cover the new remaining slots that total \$66,725 and then Nevada WICHE will meet its slot targets for FY23. Any unspent loan repayment revenue received prior to May 15 reverts back to the state and any collected after May 15 to the end of June we get to keep for FY24.

Update on Participant Practice Obligation: When it Begins

- a. NRS 397.0645 section 1(c) states “Except as provided in NRS 397.069: (1) Commences the participant’s practice obligation with 1 year after the completion or termination of the education, internship or residency for which the participant received the stipend.”
- b. Thus, if the participant completes their education and then undergoes an internship or residency, their separation date in ECSI Loan Servicer, where our office tracks their stipends, will note the extension if documentation is provided.
- c. Director Porter noted that she is currently working with a Veterinary Medicine participant who completed their education last year and is completing their internship this year. The participant has one year from completion of their internship to start their required practice. Other program field that is increasing use of residencies is Pharmacy which is offered for those who are interested in working as a Pharmacist in a hospital.

Update on Possible Bill Draft for the 2023 Nevada Legislature

- a. It is an \$8,000,000 one-shot appropriation for Nevada Office of WICHE to contract with Utah State University Veterinary Medical School, with the first class starting in fall 2025, for the implementation of a program to provide stipends for the cost of out-of-state tuition for 70 Nevada residents from July 1, 2024, to June 30, 2034, to earn a doctorate degree in veterinary medicine.
- b. Pursuant to NRS 397.060, three commissioners acting jointly, which has delegated (NRS 397.030 section 6b) the selection of the participants to the director, will be with consultation with at least two licensed veterinarians.
- c. This program, which falls under HPEP, would be administered per chapter 397 of NRS.
- d. Any remaining balance of the appropriation must not be committed for expenditure after June 30, 2025, and remaining funds must be reverted on or before September 19, 2025.

Discussion:

- Commissioner Dinauer asked if other places would be able to tap into this funding?
 - Director Porter stated that the \$8M is to offset out-of-state tuition (not the full tuition); students would not be getting in-state residency.
 - Executive Commissioner Lokken noted the \$8M one-time stipend raises some issues to work out. Since Nevada WICHE funding is on a two-year cycle we make multi-year commitments with our students based on assumption our legislature will fund these commitments just in time. This notion is that we do not keep the money and that we would need to strike a contract with Utah State University and send them a lump sum that would administer this partnership through 2034.
 - Understand one shot appropriation but from an accountability and transparency point of view, it would be preferred to have this operate like the rest of our programs with recurring or renewals of our funding cycles every two years.
 - What would happen if we cannot identify ten Nevada residents every year especially for a non-accredited program? Do not want to see the money lost with no designation or understanding. Would like to see if there is flexibility to extend the period. There should be something there that addresses that problem.
 - Another potential problem is if a student goes into the program but does not complete it; there could still be unspent tuition. Many veterinarian students quit their program and change to medical students. Can assume that some of this will happen here which means that we will have unspent tuition.
 - If we go with the one-shot program, then we need a contract that contains a mechanism to account for all the Nevada funding.
 - Commissioner Erquiaga noted that the proposal makes sense and he agrees with everything that has been discussed.
 - Executive Commissioner Lokken stated that Director Porter's work has been phenomenal, and her extra work has been much appreciated.
5. **Request to Revise and Approve Amendment to Memorandum of Understanding (MOU) between Nevada WICHE Commission and Nevada System of Higher Education**
Deputy General Counsel Carrie Parker provided the Commission members with information regarding a request to revise the Memorandum of Understanding (MOU).

Background Information

- SB446 (from the 2021 legislative session) was called a budget implementation bill; it repealed a provision in the NRS 223.085 that had authorized the Governor to provide staff for WICHE and NRS 223.700, which had placed WICHE within the Governor’s budget.
- On April 26, 2021, the Nevada Legislative Counsel Bureau (LCB) Budget Closing Action Report listed as a major closing issue the “Transfer of WICHE Program to the Nevada System of Higher Education” (account 101-2995).
 - The overview section described the transfer of the program to include both of WICHE’s accounts: (1) the WICHE administrative budget, which is funded entirely from State General Fund appropriations, and (2) the costs for administering the WICHE program, including the WICHE Loan and Stipends budget.
 - General Fund savings would total \$85,854 over the 2021-23 biennium.
 - The support services (previously provided by Administrative Services Division, Agency IT Services, and the Office of the Attorney General) would be absorbed by NSHE.
 - The “recommended transfer include[d] \$15,000 per fiscal year in General Fund appropriations paid to NSHE which, according to the agency, [was] representative of all costs associated with the organizational shift.”
- The April 26, 2021, Nevada LCB Budget Closing Action Report for the “NSHE- W.I.C.H.E. Loans & Stipends” (account 101-2681) describes the budget related to WICHE’s Professional Student Exchange Program (PSEP) and the Nevada-oriented Health Professional Education Program (HPEP).

Budget Closing Action Report Information:

- While WICHE is an agency created by statute (NRS 397.030) and administered at the discretion of the Commissioners, it does not “operate as an administratively self-sufficient entity” because its small size would make that “impractical.”
- Despite the transfer of the program and budgets to NSHE, Nevada WICHE remains independent and “the Board of Regents would exercise no budgetary authority over WICHE [,] and the authority to appoint the WICHE Director would remain with the Commission.”
- This is consistent with NRS 397.062, NRS 397.063, and NRS 397.064, which create the accounts and mandate that the three Nevada State Commissioners administer the accounts and adopt regulations governing repayment of loans.

Memorandum of Understanding (MOU)

- The MOU between Nevada WICHE and NSHE (Nov. 3, 2021) references the transfer of Nevada WICHE’s budget from the Office of the Governor to NSHE and the use of NSHE services, “including, without limitation, NSHE’s information technology, legal, accounting and administrative support services.” See support material.
 - The MOU also recognizes Nevada WICHE’s independence from NSHE pursuant to its statutory authority set forth in NRS Chapter 397. *Id.* at p. 2.
 - Nevada WICHE’s Director is an employee of NSHE, the Nevada WICHE office operates within NSHE with shared resources and is “fully integrated within NSHE for the purpose of supporting the program.” *Id.*
 - Among other services, NSHE provides ancillary services “including purchasing, legal services, and technology services.” *Id.* at p. 3.

- “Accounts receivable services will be provided by the NSHE through the NSHE Department of Budget and Finance.” *Id.*
- Regarding budgetary oversight, the “three Nevada State Commissioners, acting jointly, will retain sole budgetary authority over all expenditures in the program budget, which is used exclusively to fund stipends to students.”

Issues

- Some questions arose regarding where the loan balance would reside, how to submit the financial statements, whether to use the State Purchasing process or the NSHE process for contract review, and whether the State Controller’s Office would be a resource for debt collection services.
- Because of the 2021 legislative changes to the budget moving Nevada WICHE’s budget accounts from the Governor’s Office budget to the NSHE budget, Nevada WICHE’s loan balance should reside in NSHE’s budget, but under the complete control of the WICHE Commissioners. Nevada WICHE’s accounts will not appear on NSHE’s financial statements. This has been discussed with NSHE CFO Andrew Clinger and his team.
- NSHE is to provide services to Nevada WICHE, including purchasing. Deputy General Counsel Parker recommended that Nevada WICHE follow the NSHE contract review process but with Nevada WICHE, and not the Board of Regents, as the contracting entity, pursuant to the powers in NRS Chapter 397.
- The Nevada WICHE commission, not the Board of Regents, will sign the contract.
- The MOU is accurate, but some revisions can be added for clarity.
- Reference 5 in support materials has some language to memorialize discussion and expand the definition of the Nevada WICHE staff; there may be funding to hire another staff member to assist Director Porter.
- Regarding the start of submitting a Nevada WICHE Financial Statement to the State Controller’s Office, this would start in FY23. Regarding FY22 there is a meeting with Nevada State Controller’s Office on Monday to discuss this.
- Commissioner Erquiaga noted that he would abstain from voting due to the need to execute the contract on behalf of NSHE.

Executive Commissioner Lokken called the question and moved approval to revise the Memorandum of Understanding (MOU) between Nevada WICHE Commission and the Nevada System of Higher Education (NSHE) as presented. Commissioner Dinauer seconded. Commissioner Erquiaga abstained. Motion carried unanimously.

6. Review of Regulations as Required by Executive Order 2023-003 Section 5D

Director Patty Porter requested approval to submit a request for exemption to Executive Order 2023-003 per Section 5 (d) regulations that affect the application of powers, functions, and duties essential to the operation of the executive agenda, department, board, or commission at issue.

Discussion

Executive Commissioner Lokken stated that his feeling is that this item is pro-forma and was recommended by the legislature. Director Porter asked if commissioners had any questions since the agency only has eight regulations currently and has additional draft regulations waiting at the Legislative Counsel Bureau.

Commissioner Dinauer moved approval for Director Patty Porter to submit a request for

exemption to Executive Order 2023-003 per Section 5 (d) regulations that affect the application of powers, functions, and duties essential to the operation of the executive agenda, department, board or commission at issue, as presented. Executive Commissioner Lokken seconded. Motion carried unanimously.

7. **Request to Accept Volunteer Hours in Nevada to Fulfill Practice Requirement**

Director Patty Porter requested approval to accept participants' documented volunteer hours to meet the required service obligation for receiving stipends. Participants must comply with this requirement after graduation and achieving their practice licenses; the volunteer hours completed fulfill the service requirement.

Discussion

Director Porter stated that there is a PSEP Veterinarian participant who is in between positions and asked if they could use volunteer hours at the Nevada Humane Society in the role of a veterinarian toward service requirement. Commissioner Dinauer thought this was a good idea. Executive Commissioner Lokken noted that due to commission being small and not as structured as a large commission it is necessary for Director Porter to have latitude and authority in acting on behalf of the commission regarding these types of situations. Executive Commissioner Lokken stated that decisions like this one fall within the duties and responsibilities of the director.

Commissioner Dinauer moved approval for Director Patty Porter to be able to accept participants' documented volunteer hours to meet the required service obligation for receiving stipends as presented. Commissioner Erquiaga seconded. Motion carried unanimously.

8. **New Business**

- There was no new business.

9. **Public Comment**

- There was no public comment.

Meeting adjourned at 4:11 pm

Prepared and submitted by:

Patty A. Porter

Director, Nevada Office of WICHE