



MINUTES
Montana Board of Regents
Great Falls College MSU
March 6-7, 2014

Thursday, March 6

This meeting convened at 8:30 AM.

Roll call indicated a quorum present. Regents present: Vice Chair Paul Tuss, Regents Jeff Krauss, Major Robinson, Fran Albrecht and Student Regent Zack Rogala. *Ex Officio* members: Commissioner of Higher Education Clayton Christian and Superintendent of Public Instruction Denise Juneau and *Ex Officio* member Governor Steve Bullock were present.

Roll Call, Approval of Minutes, and Introductions

- January 7, 2014 Minutes

Regent Rogala moved approval of the January 7, 2014 Board of Regents Minutes. Motion passed 5-0.

Comments by Vice Chair Paul Tuss

Vice Chair Paul Tuss commended former chair Angela McLean on her recent appointment of Lieutenant Governor, he extended thanks for her leadership, dedication and passion towards education in Montana. He noted the change in the presiding officer per board policy for these situations. He expressed enthusiasm about his serving the role as presiding vice chair; he reminded all attendees that BOR elections will take place during the May meeting. Regent Tuss noted the recent Board Planning session that was held in February and focused on the many products and services offered by the MUS including: the Complete College Montana initiative, College Now and Workforce Development initiatives, Dual Credit and Dual Credit expansion. These three major initiatives all focus on better preparing students for success, reduce time to degree, improve college affordability, and are responsive to Montana employers. He noted other topics that relate to our overall efforts including: performance based funding, greater focus on ag and research as well as continued focus on veterans, AIMA, and affordability.

Commissioner's Report

- MUS Strategic Plan Overview

Deputy Commissioner Tyler Trevor, OCHE discussed the history, overall project and metrics of the existing strategic plan; noting that this is the primary planning document used to set forth agenda items, directions, goals and objectives to guide MUS. He noted that the plan was approved by the Board in 2006 and is updated annually. Tyler reiterated the three overarching goals: access and affordability; workforce and economic development; and efficiency and effectiveness. He noted the individual



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components within each goal and their objectives. Tyler explained that the guiding principles were added later, by the Regents, based on the committee for reform and reinvention suggestions to include additional areas that may be in need of updating. It also established the plan for who was involved, reporting aspects, flexibility and accountability of the plan, and its connection to campus strategic plans. He noted that this document represents the shared policy, adopted by the Legislature, and has been very advantageous in other legislative discussions and presentations regarding MUS initiatives. Tyler noted the Success Agenda which consists of operational strategies to increase the overall educational attainment of Montanans and provide an efficient and effective system of higher education; the Board of Regents adopted a Success Agenda to augment the Strategic Plan and help guide the Montana University System. These findings show that we remain tied and committed to our strategic plan. It is updated, used and followed; as we continue to use it as a working document.

Commissioner Christian commented that there is room for additional improvement related to the 60% of high school graduates goal; we need to keep students actively engaged in education to help them be more successful. Internal collaboration and communications need to continue to ensure that students are attracted to education. He further noted that our efforts align and tie back with the strategic plan. We will continue to use, up and follow the document going forward.

Superintendent Denise Juneau asked about addressing retention and completion for Native American students. Mr. Trevor noted that work is being done to date in this area and that metrics are being developed to better track these students. Tyler will be going back through data and disaggregating it by system, campus, and then further by race and ethnicity. Regent Robinson informed her that preliminary discussions did start; he noted the discussions that took place at the BOR Planning Session, led to a priority commitment from OCHE and staff. Identifying available resources, specific need, and developing a strategy and implementation process is underway.

Regent Krauss thanked those involved in the construction and maintenance of this document to help quantify the actions being taken. He further stated that the plan and its components address quality related to goals we set. He stated that efforts like CCN and our focus on underrepresented populations play a part in providing quality to taxpayers and citizens of Montana.

Regent Albrecht discussed the importance of engaging students in private/public partnerships, internships, and research as they move the dial for future employment. She asked Mr. Trevor if there were metrics in place to inform businesses to look to our colleges and system for prospective employees. Tyler explained that there are indicators in the strategic plan but he noted that more specific information could be attained at the campus level. He noted that this would be best evaluated by focusing on the program level. He added that campus and institutional plans feed back up into the overall MUS strategic plan.



Regent Robinson thanked Mr. Trevor for his presentation; he noted that the detailed level of data helps answer questions and shows that our economy can support graduates, on both the two-year and four-year level, from our system. He noted the consistency of being in second to last place on the national level related to state funding but believes that we are positioning ourselves better for the future and are continuing to prove our accountability to the taxpayers. Performance funding opportunities will help further increase our metrics. He shared his concerns related to funding expenditures and the drop in instruction and asked that these issues be incorporated and presented at the upcoming Legislative session to better show our potential for success.

- Workforce Development Update

Deputy Commissioner John Cech reminded attendees of the \$25M grant that was recently attained for energy and advanced manufacturing workforce development; he recognized the work being done by Dean Wolff, as the lead college for the thirteen college consortium, and Matt Springer, grant director/manager. John stated that the USDL grant's focus is on creating access through stackable programs. This is achieved by breaking down classes into tiers according to an industry recognized credential. The intent is to increase labor market payoffs for these students by reducing the amount of training time and provides documentation for their preparation of entry to work. Currently working on tier 1 certificates for the following areas: Welding, Diesel, Energy Technology and more; subsequent tiers are also being developed. The majority of these programs will begin in the fall. John reiterated that the course sharing model is key because it allows for accelerated learning for students throughout the state. This approach will create significant efficiencies that an instructor can offer at once, across the state. Dr. Cech noted that the grant steering committee has also been established and is chaired by himself and Pam Bucy; this committee consists of 14 members and will serve as an advisory committee, charged with measuring the overall success of the grant. Regent Krauss asked for clarification on the work force navigator piece. Mr. Matt Springer responded that this is a bridge between the department of labor and our college institution to help guide students through the process. They are also charged with working with business to develop a robust placement service.

10:30 AM Two-Year Education and Community College Committee

INFORMATION

- a. Recognition of Phi Theta Kappa New Century Scholars

Regent Krauss noted the awarding of Phi Theta Kappa and it's 2014 All Academic Team who were nominated by their respective two-year college faculty and staff as representatives of some of the best and brightest student in our two-year system and community colleges. Students present included: Andrea Bulik, FVCC; Darrian Haynie, FVCC; Eva Maydole, GFC MSU; Michelle Lonebear, Annaiih Nakoda; Stacy Luongo, GFC MSU; Lena Sleight, MCC; and Jackcee Idland, MCC. All scholars were publically recognized and commended for their hard work and academic efforts.



b. Comprehensive Two-Year Mission Expansion Report
Attachment #1 | Attachment #2

Deputy Commissioner Cech reminded attendees that upon approving the recent mission expansion plans a yearly reporting component from schools in order to discuss the success of the plan implementation. The planning hierarchy is such that college goals are built upon college initiatives which ultimately help develop the overall comprehensive missions. These plans related back to the comprehensive two-year mission and deal with initiatives related to implementation of this mission. The planning cycle begins with the college interpreted the data provided to them, followed by college-wide collaboration and reviewing the past year; followed by updates to the action plan; reports are then made to Regents. Finally they are reviewed by the Deputy Commissioner. An overview of original initiatives and their progress to date was briefly discussed. Initiatives related to transfer education, workforce development, lifelong learning, community development, branding and marketing and general. Next steps for these plans include: institutionalizing the planning cycle, identifying roadblocks to success, continue to develop culture of continuous improvement, support the two-year system, and develop the standardized data portfolio. Individual plans are available for further review.

Regent Rogala noted a recent conversation he had related to the MUS's significant inclusion of two-year collaboration and four year institutions; specifically that Montana has distinguished itself in this area. John agreed and noted that this process brings forth many advantages that other states do not have because they are often viewed as separate, stand alone systems; whereas in Montana there is natural collaboration. Regent Krauss noted the importance of collaboration between the three community colleges. Regent Robinson expressed his gratitude to the campuses for their hard work. He noted the importance of understanding what is happening on each campus and the progress being made as it is extremely helpful when addressing questions within the community.

President Cruzado spoke regarding different state configurations stating that New Mexico has a similar set-up to Montana. President Engstrom also noted similarities in the South Dakota system. Commissioner Christian state that much of this success can be attributed to the restructuring of the system. He stated that the progress we have enjoyed thus far can be attributed to the foresight of those before us who have viewed us as one system. The more collaboration and association ultimately serves students better.

c. Developmental Education Council

Dr. Sharon O'Hare reminded attendees that the Board accepted the commitment to develop common goals and strategies related to college readiness at May meeting last year. In response to Complete College Montana and the Montana University System's focus on student success and completion, the Commissioner is committed to re-



designing developmental education through the formalization of the Developmental Education Council. She stated the goals of the Developmental Education Council are to accelerate students by reducing the amount of time, number of developmental credits, and number of courses in the developmental sequence so students can be successful in a college level course. She reiterated the different metrics currently in use across campuses. She stated that the task force continues to focus on college readiness, placement and assessment, curricular redesign as well as student success and advising. They have also has been working on tracking, noting that the key to success in college is gateway course completion. They are considering a policy that strongly recommends students placed into development education classes are taken during their first semester; this is intended to serve as a call to action. The task force recommends that student data is tracked and annual reporting to the BOR and Commissioners Office continue to take place. The Developmental Education Council will continue its work as an on-going council of the Montana University System.

Regent Tuss asked Dr. Cech about the general ed requirements and the relation to math; as previously discussed during the planning session, often times the math requirement is more stringent for general ed when compared to the vast majority of other academic programs. Dr. Moisey discussed math findings related to developmental education; he surveyed campuses across the system on their math requirements by degree. His findings showed that the developmental education math sequences focused on students passing college algebra; which covers about 10% of the degrees within our system. The council is now looking at options for restructuring these courses, greater student utilization and better alignment.

Regent Rogala encouraged Dr. O'Hare to consider sending a student representative with the delegation to the boot camp she discussed at the November meeting.

Superintendent Juneau encouraged the Governor and BOR to think about including a K-12 representative in order to capture the transition discussions within this delegation.

President Engstrom announced that in response to the challenge developmental education the Washington Foundation has generously donated a gift of \$2.4 million to the Montana Digital Academy to implement Ed Ready in order to help students move successfully toward completion. This will allow Montana students by boosting their scores on placement exams to help eliminate remedial education. This gift followed a successful pilot project that took place at UM involving 60 students. 86% of participants increased their scores in mathematics and were able to avoid taking unnecessary remedial courses. This gift will allow Montana to be the first state in the nation to offer Ed Ready courses to students statewide. President Engstrom extended thanks and appreciation to Dennis and Phyllis Washington, Mike Halligan and all others who were involved.

d. Dual Credit Task Force

Dr. Cech and Dr. Mosey have been co-chairing this task force since its creation this fall. Recently this group has been researching methods of other systems. John shared several key highlights from their work to date. He stated that Dual enrollment results in increased college enrollment, higher levels of persistence, faster credit accumulation, higher GPAs, and faster completions. Research supports that dual enrollment is



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associated with greater than average gains for low-income, lower achieving students, and male students. The Legislature and the Governor provided OTO funding of \$1 million to grow dual enrollment and workforce development initiatives. Of this funding, \$640,000 was devoted to dual enrollment in order to set-up a performance based funding model. John reported that seven out of twelve campuses experienced growth for dual enrollment during 2013 when compared to 2012. Head count increased by 36% while FTE increased by 33%.

John shared several recommendations on behalf the task force to further grow dual enrollment. Recommendations included: increasing the number of high school teachers who have a masters degree and meet qualifications set forth by the BOR; increased focus on the Class 8 process to see how we can update, streamline, and make the process more efficient; create consistent standards in MUS for concurrent enrollment; convene a group to explore allowing the National Board Certificate within a disciplinary focus to be an alternative for the nine graduate credits in the subject area; as well as review the dual enrollment student application process and check for adherence to approved MUS standards. John stated that the task force has been working closely with MSU-Billings, who will be acting as the pilot program this fall, to further grow these kinds of opportunities.

Chancellor Blackketter discussed recommendation three and the outline for approval piece. He encouraged the task force to consider making this more system wide in order to eliminate the awkward situation that sometimes arises between faculty with regard to the transfer of credits. He suggested developing a system-wide committee to handle these approvals.

Dr. Mark Pagano added that they have had three productive meetings to date; great progress has been made as far as plans for fall and involving all high schools in Billings.

Superintendent Denise Juneau noted her appreciation for the partnership between Higher Ed and OPI. She asked about the timeline moving forward with something solid related to these efforts; Deputy Commissioner Cech answered May. Denise reminded attendees that this is one of the Governor's goals and expressed her hope that action can be taken in order to help streamline the process.

Commissioner Christian agreed and noted that OCHE acknowledges the importance behind this initiative and wants to get it right so it is a win for students, states, and the system. He agreed to work closely with other players in order to roll out this effort. This truly is a way to meet many goals simultaneously related to graduation rates and time to degree, completion and retention efforts; all of which are benefited through a heavy use of dual enrollment. We want to enjoy wide success overall, not pocket success and expand its availability to all, despite location. He expects to see movement going forward and will continue to work closely with OPI and other partners to ensure that this movement is embraced and students are made aware.

Regent Robinson asked for clarification as to which community colleges are involved in this effort; he also inquired after tribal colleges' participation. Dr. Cech clarified that all of the community colleges are participating with the dual enrollment initiative. He noted



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that work is being done through the Perkins program to assist several tribal colleges with additional funding to assist with the implementation of Big Sky Pathways.

Faculty Representative Dr. Bob Mokwa noted the positive momentum surrounding this initiative. He noted that many ties between this initiative and other guiding principles of success such as affordability, access, and efficiency. He encouraged the overall theme of quality to remain a strong emphasis related to these recommendations as well as getting faculty input and involvement.

Regent Albrecht asked Dr. Cech to speak to the unique challenges in Eastern Montana and how they are being addressed. President Klippenstein noted the recent advancement of dual enrollment opportunities which allowed them to branch out further with smaller institutions and further support their movement. They are also looking at new opportunities for developmental education with other high schools. President Michael Simon informed attendees that they are working closely with employers to send communications to high school students informing them of the benefits associated with receiving training and education prior to entering the workforce. He added that conversations are underway with several schools to aggregate demand at other locations through the use of technology and centrally located staff. President Jane Baker echoed these thoughts on quality and the importance of hearing faculty concerns.

11:20 AM Public Comment

Mr. Marco Ferro of MEA/MFT spoke in support of quality, dual enrollment and dual credit for the state of Montana; noting the partnership with BEA in Billings, MT and their support for this initiative.

Dr. Sharon O'Hare spoke in support of Ed Readiness.

11:30 AM ACT College and Career Readiness Campaign Montana Awards

Superintendent Denise Juneau recognized award winners from the ACT College and Career Readiness Campaign. She noted that efforts and success to date related to Graduation Matters and better preparing students for post secondary education to allow for a seamless transition from high school to college. She noted the importance of continued partnership with the Montana University System going forward. Mr. Scott Montgomery, Vice President of Policy and Government Relations for ACT, provided background information regarding the campaign. Noted the commitment required at policy level as well as from students. He discussed various institutions and the training they are providing students to ensure they are ready for postsecondary training. Award certificates were presented to students; national semi-finalists will be announced in April. He noted that ACT looks forward to continued work with Montana and it's students.

Commissioner Christian reminded attendees of the decade long focus towards two-year education that MUS has undertaken; especially related to College Now effort and preparing first generation students. College and Career Readiness elements come together to provide greater opportunities for students and skilled workforce for the state. Commissioner Christian presented Great Fall College with their Award. Superintended



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Juneau presented the College and Career Transition Award to Bozeman High School for their focus on expanding dual enrollment courses. Governor Bullock presented the College and Career Readiness Award to Ms. Alisa Braun of Bozeman High School.

Governor Bullock commended OPI, BOR, OCHE and all attendees for the work done to date to improve education throughout the state of Montana. He encouraged everyone to remain committed to continually improving the educational system that supports students from early learning through post secondary education. He noted the lack of state dollars committed to our earliest learners and the work being done to address this. He further noted that support for students must be continued throughout their educational careers to ensure that the relevancy and commitment are present but also so that the student can see the pathway to two and four year institutions. He reminded all attendees about his goal of increasing the percentage of MT's who have a degree or certificate from 40%-60% within the next decade; he believes that those who are engaged and look at the system as a whole the goal is well within reach and achievable.

1:15 PM Administrative, Budget, and Audit Oversight Committee
(See attached committee agenda)

ACTION

- a. Authorization to Upgrade the Brick Breeden Fieldhouse Arena; MSU-Bozeman *ITEM 162-2004-R0314 | Attachment #1 | Attachment #2*

Mr. Terry Leist summarized this item as a upgrade to the original structure build in 1956. This building is used for a number of events on campus including commencement activities, concerts, sports and more. This request is to improve the safety and functionality of the building. He further described it as a partnership with students who agreed to raise \$1 million via building fees.

Regent Robinson asked about the owner expenses on this line item; Deputy Commissioner Mick Robinson commented MSU-Bozeman provided a list of what would be included in owners expenses, including internal expenses that are charged to the project such as moving expenses, IT materials and installation, facility support, signage, keys, travel and meeting expenses, etc.

Regent Krauss moved for approval of ITEM 162-2004-R0314. Motion passed 5-0.

- b. Request to Increase Authorization to Renovate Strand Union Ballrooms; MSU-Bozeman *ITEM 162-2005-R0314 | Attachment #1 | Attachment #2*

Deputy Commissioner Robinson reminded the board the due diligence conducted at OCHE is to look at funding requirements, viability and necessity of projects.

Mr. Terry Leist noted this as a request to increase the spending authority for a project brought forth last March. The \$1.6 million project was deferred due to summer activities to \$3 million; he reminded attendees that this original request was for renovation to the



SUB and ballrooms and black box theatre. Funding will stem from current student fee and auxiliary monies.

Chair Tuss asked for an explanation in the difference between \$1.6 million and \$3 million. Mr. Leist clarified that the mechanics involved with the tiles above the ceiling system lead to further analysis; the age of the building also comes into play, in addition to basic cost estimate increases..

Regent Robinson asked about the cost breakdown, specifically what the owner expenses of \$100,000 include. Deputy Commissioner Robinson explained that the allocations of costs are sometimes included in the cost by campuses; some are allocated into the project as it moves forward similar to an indirect administrative cost for the project.

Regent Robinson asked that additional information regarding this figure be presented prior to action tomorrow, as well as an explanation for the high contingency. Mr. Least clarified that while the contingency is high; it is attributed to the complexity of the mechanics and will follow-up on the increased costs.

Regent Albrecht asked if it was typical to include any sustainability aspects or green factors to reduce costs. Terry answered yes, they always look at using the most current technology that would allow them to use these means; this often includes more efficient windows and more effective lighting to help minimize HVAC costs.

Regent Albrecht moved to approve this motion. Motion passes 5-0.

c. Authorization to Design New Academic Classroom & Laboratory
Building—College of Engineering; Montana State University
ITEM 162-2006-R0314 | Attachment #1

President Cruzado noted the elevation of this item, a request for approval of planning and design, for the Board's consideration given that Mr. Norman Asbjornson, the donor is present at the meeting. She discussed the recent growth increase of 12% at MSU-Bozeman between 2012-2013 She noted the need for specific technology, more space, modern academic spaces of various sizes and configurations to support a variety of teaching methodologies. MSU intends to fund construction of the building with funds from private donations made available through the Montana State University Alumni Foundation. She noted the donor's generosity through scholarships, research funds and various generous contributions he has made through funding of technology, equipment, etc. These contributions will benefit the entire state of Montana going forward. Mr. Asbjornson referenced his own experiences as a student of MSU and discussed how best to further engineering education through opening the door of opportunities wide enough for others to realize they exist. He identified two main problems: growth has necessitated need for more space and determining a different concept about space to allow the education to proceed in different formats.

Regent Robinson noted the great impact this donation and facility will have within the MUS. He discussed the importance of the lead facility language within the item and its impact on students as it will allow for higher performance; he asked that this be well outlined in the design proposal.



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Regent Rogala expressed the excitement and appreciation on behalf of the MUS student body for his investment and generosity to the 'next generation.'

Faculty Representative Bob Mokwa spoke in support of this item and expressed thanks.

Commissioner Christian discussed how this generous contribution will help meet some of the needs within the state. He expressed his gratitude and appreciation on behalf of the MUS and noted that this contribution will add value to education.

Regent Krauss expressed thanks for the inspirational gift and good example being set.

Regent Albrecht expressed her thanks and appreciation for his insightful investment in Montana and its students.

Regent Rogala moved to approve this motion. Motion passed 5-0.

CONSENT

- 2:00 PM
- a. Student Computer Fee Classroom Technology Equipment Initiative; UM-Missoula *ITEM 162-1003-R0314*
 - b. Student Computer Fee Equipment Allocation; UM-Missoula *ITEM 162-1004-R0314*
 - c. Student Computer Fee Employment Allocation; UM-Missoula *ITEM 162-1005-R0314*
 - d. Authorization to Expend Student Computer Fees; Helena College *ITEM 162-1902-R0314 | Attachment #1*
 - e. Authorization to Appoint David Evans to the Montana Motorcycle Safety Advisory Committee; MSU-Northern *ITEM 162-2801-R0314 | Attachment #1*
 - f. Expend Student Equipment Fee Allocation; MSU-Billings *ITEM 162-2702-R0314*
 - g. Authorization to Repair/Replace the Heating, Ventilation, and Air Conditioning Systems for the City College Technology Building; MSU-Billings *ITEM 162-2703-R0314 | Attachment #1*

Regent Krauss moved to approve items a-g on the consent agenda. Motion passed 5-0.

INFORMATION

- 2:30 PM
- a. Performance Funding: FY15 Allocations | Goals & Objectives

Deputy Commissioner Trevor reminded the Board that last year they approved the short term performance funding model. This consisted of our agreement and commitment in the legislative session to allocate \$7.5 million based upon progress made towards increasing student completions and student retention outcomes. He discussed the model and the most current data which is used to allocate funds to campuses for FY 15 thus fulfilling our commitment to the Legislature, Governor and ourselves.



Regent Tuss asked for clarification about the initial funding formula and subsequent funding formulas for future years. Mr. Trevor clarified that one of the attributes related to the longer term model is stronger connections to institutional missions in addition to an expanded number of metrics for each type of institution. He noted the anchor document being used in the development of these metrics. This document notes the specific goals of this model. The primary goal is increase the percentage of the population with a higher education credential from 40%-60%. Other key areas of focus include: Increase success of underrepresented student populations; increase early college access; improve student success in freshmen year; increase the number of students transferring from 2-4 year campuses; increase the number of students completing degrees and certificate programs and grow graduate education and research capacity. Mr. Trevor stated that metrics applicable to these groups will be presented at the upcoming May meeting; after which we will begin working on funding allocations in preparation for the upcoming Legislative Session.

Regent Robinson asked for an explanation with regard to faculty involvement with this initiative and inquired about their participation within the process.

Deputy Commissioner Trevor explained that the task force has representatives from each campus, has conducted surveys, and hired a consultant to engage faculty. This information was used to develop focus groups. The information was then developed into a report describing faculty input. Faculty input consists of a high level of interest and some have expressed concern.

Faculty Representative Bob Mokwa added that time has been spent getting input from all constituents. He noted one aspect of the consultant's report was the importance of this engagement with stakeholders. The next step involves a messaging approach for each campus to reach out to stakeholders. Draft metrics will also be developed to help steer and provide information for those new to the project. Mission differentiation is coming into play to help address the mission of each institution. Quality assurance metrics are going to be tracked in order to help address questions about quality and potentially negative, unintended consequences of metrics. By tracking these, we hope to better keep an eye on factors that are related to quality.

Regent Albrecht discussed the data presented earlier related to efficiencies; specifically related to research. She stated that it looks like we need to invest more but expressed concerns about taking funding from another area.

Mr. Trevor explained that the chart title indicates these funds are current unrestricted dollars stemming from state appropriations and tuition. He further clarified that there is an order of magnitude that is not seen due to federal funding.

Regent Rogala asked when that last time the system considered different methods for allocation formulas.

Deputy Commissioner Robinson clarified that roughly one year ago the Board approved a new allocation policy for funds to campuses; furthermore, this is the first fiscal year that this new methodology is in place.



Commissioner Christian clarified further that this started with conversations related to prioritization efforts. There was heavy consideration at various models and the new dimension that performance adds. He explained past efforts and adjustments that were made.

Regent Rogala thanked him for the summary and spoke in support of the importance to maintain the perspective of the difficulty surrounding and maintaining the status quo. He encouraged the Board to remain cognizant of this baseline.

b. LRBP Recommended Priorities

Mick Robinson informed attendees about the process for preparation and prioritization of projects for the individual campuses and university system as a whole. Each campus conducted a site visit during September which culminated in an MSU and UM priority list with consideration to all affiliate campuses. The Commissioner, Presidents and staff met in February to develop this combined, recommended list for the MUS. He reminded attendees that this is a work in progress and is being presented today for review, discussion and comments. Revision will be made, if necessary and a final list will be presented before the Board at the May meeting.

Deputy Commissioner Robinson noted the first section of the document focuses on deferred maintenance projects. Mick emphasized that campuses are continually investing in deferred maintenance as they go through their operating year. He explained that the dollar amounts were balanced around the system, based on the level of need. He then discussed the list of major projects totally \$88M. The final list describes authority only projects. He noted that the MSU – Engineering Building would be added to account for the required maintenance of the building moving forward.

Commissioner Christian described the list as long; as the needs within the system are significant. We have to try and develop a list that captures the right mix of investments for the system. He noted that historically we spend a bit more on other campuses rather than at flagship institutions in order to better serve the students where they are. He reiterated the seriousness of the safety of buildings and their conditions. In summary he stated that this is a very cooperative list between both MSU and UM that provides a good balance. The Governor's Office and Director Villa will ultimately develop a list to include within the Governor's budget and proceed through the bonding process.

Chair Tuss expressed his excitement at the inclusion of Ag Experiment Stations on the list. He asked about the addition to the UM music building and the Romney Hall project; specifically for clarification regarding the additional funding requested.

President Engstrom described the music building as old and undersized for the current number of students. This issue was recently pointed out during an accreditation review. The building is simply not the size it needs to be in order to accommodate the number of students and equipment.

President Cruzado clarified that the growth the campus has experienced reinforces the need to ensure they utilize their space on campus effectively. While the original cost estimate was \$25 million, new understandings unveiled that to truly utilize the space



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effectively, specific requirements and components are required if they are going to be used as instructional facilities.

Commissioner Christian clarified that MAES projects have been included on past lists and that they will be included on this list moving forward.

Regent Albrecht inquired about the Montana Museum of Art and Culture – UM. President Engstrom clarified that this is a collection of works of art that have been at UM for years. They have inadequate storage room and limited exhibit space; he stated that they are currently raising funds for this project now.

Regent Krauss asked if we have a financial figure for the total cost of deferred maintenance. Deputy Commissioner Robinson stated that we do have dollar amounts that were placed on projects and information regarding each building but noted that it hasn't been compiled into a system-wide figure. He further stated that the total cost would be significant.

Commissioner Christian added that process in place is quite thorough across the system, he noted the balancing component that must be evaluated when determining need. Unlike private companies we have specific areas attributed to deal with some deferred maintenance but it doesn't cover all the related expenses due to the difference in funding.

Regent Robinson asked if there have been any inspections or efforts to understand the work surrounding these major items like asbestos or lead paint.

Commissioner Christian discussed the uniqueness surrounding the Romney request; he classified it as "gutting of the building", the majority of renovations will be made on the inside. Mr. Leist also added that these estimates address the fact that there will be disposal costs. The cost of hazardous materials may not be fully determined until work begins, so a general estimate is included in the overall calculation.

President Cruzado informed attendees that Romney is over 100 years old and during that time has undergone minimal renovations. She classified this approach as one similar to the Gaines Hall renovation; gutting it and reformatting for instructional space. She clarified that it will not be renovated to its original form, but developed in offices, labs, writing centers, math learning centers and other areas for students use. She noted that it is centrally located on campus and the great historical ties to the building.

c. Present Law Update: Assumptions | Ed Units Graph | Ed Units Projections | Agencies Projections

Director Houser & Deputy Commissioner Robinson explained the present law process and noted the examples given are base budget expenditures that are requested via a decision package presented to the Legislature.

Regent Krauss asked about the higher percentage of personnel costs to total costs is roughly 5% higher and what factors are attributed to this.



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Ms. Houser clarified that it partly relates to the agencies and extension services and their compensation packages within the state's system. In order for it to be included in the state budget process we have to request all benefits, insurance costs, etc. that we pay out of the current unrestricted fund.

Audit Reports

Deputy Commissioner Robinson noted that these reports were all clean, unmodified opinions presented as informational items.

Regent Rogala asked about the process for scheduling the audit of each unit. Mr. Robinson clarified that when dealing with legislative audits OCHE works closely with the Legislative Audit Division, who coordinates the scheduling aspects. He noted the different kinds of audits and clarified that those presented today are financial audits.

- a. University of Montana, Facilities Improvement and Refunding Revenue Bonds, Series F 1999, Series I 2004, Series J 2005, Series K 2010, Series L 2012, Pledged Revenue Funds-Unmodified opinion
- b. MUS-Workers' Compensation Program (13C-04), Financial Statement Audit for the fiscal years ended June 30, 2013 and June 30, 2012-Unmodified opinion
- c. Montana Guaranteed Student Loan Program (13-06), Financial Statement Audit for the fiscal year ended June 30, 2013-Unmodified opinion
- d. Office of the Commissioner of Higher Education (OCHE) (13-20)-Financial-compliance audit for the two fiscal years ended June 30, 2013-Unmodified opinion on OCHE financial information
- e. Montana State University Financial Statement Audit for the fiscal year ended June 30, 2013-Unmodified opinion
- f. University of Montana Financial Statement Audit for the fiscal year ended June 30, 2013 – Unmodified Opinion
- g. Miles Community College (12C-08)-Financial-compliance audit for the two years ended June 30, 2012-Unmodified
- h. KUFM-FM Radio operated by University of Montana, Financial Statement Audit for the years ended June 30, 2013 and 2012 - Unmodified Opinion
- i. Montana PBS operated by the Montana University System, Financial Statement Audit for the years ended June 30, 2013 and 2012-Unmodified Opinion
- j. KGLT-FM operated by the Montana University System, Financial Statement Audit for the years ended June 30, 2013 and 2012-Unmodified Opinion
- k. KEMC-FM operated by Montana State University-Billings, Financial Statement Audit for the year ended June 30, 2013-Unmodified Opinion

Public Comment:



Mr. David Chively, Faculty Member at UM, expressed his general concern related to enrollment based budgeting and performance based funding. He made reference to a public agenda report that was used to gauge perceptions from MUS faculty and staff. He noted specifically his concerns related to a lack of research and the linking of student success to state funding based on the number of completions.

Friday, March 7

CONSENT

a. Honorary Doctorates

- MSU-Bozeman Honorary Doctorates
- UM-Missoula Honorary Doctorates

Chair Tuss reiterated the procedures and policies surrounding Honorary Doctorates.

Regent Albrecht motioned for approval. Motion passes 5-0.

Academic, Research, and Student Affairs Committee and ACTION
(See attached committee agenda)

ACTION

a. Level II Memorandum Items (from January submission)

Dr. Neil Moisey noted this is the second part of the two part process and that the proposals were presented at the January meeting as information items.

Regent Rogala commented on the veteran neural injury center and asked about any possible interference with the MSU veteran center as discussed at the recent ARSA conference call. Discussion on the call ultimately determined that each respective mission for centers were distinct and will pose no overlap between the two.

Chair Tuss asked Dr. Moisey to explain the procedures for campus clarification when considering these kinds of new programs.

Dr. Mosey explained that there are several opportunities for campuses to have these discussions including: referencing the academic program plans for the next three years, these are posted on the mus.edu website. BOR items are also thoroughly discussed and vetted during the regularly scheduled CAO conference call and again on the ARSA phone call with the Board Committee. Dr. Moisey noted the option for commonality between institutions.



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President Engstrom agreed that the centers are different but both actively focus on the same area. He noted that each institution has expertise in this field and that these programs help address a population that many are concerned with.

Reed Humphrey of the School of Physical Therapy – UM spoke about the development of the neural center over last three years. His area primarily focuses on physical medicine. He stated that the concept of the neural injury centers was to leverage the current facilities and resources with others on campus to provide a central level and better address the needs of students and their families; as well as, to help further address the needs of Montana as a region. He anticipates that this is more of an overall MUS initiative with best practices that will developed through collaboration, ultimately leading to overall success and progress in the field for the state and nation.

Regent Albrecht asked about the inclusion and connection with the NFL grant that was recently awarded.

Richard Bridges, Biomedical and Pharmaceutical Sciences of UM discussed the connection between outreach and pairing care with basic sciences. He clarified for Regent Albrecht the connection between the NFL award grant that was recently awarded. He stated that the linking the basic sciences to neural sciences has been a long time goal for the past 15 years. He discussed the ability to share resources and have programs mature so that focus and collaboration can continue to allow researchers to address important clinical issues. Currently Montana ranks at #2 in the nations, for brain injury deaths per capita. He stated that this high rating is mostly related to ranching, restorative injuries, recreation and our veteran population. This high rate allows us to serve as a real resource for the state.

President Engstrom stated that this activity represents the interconnectivity between our system and the surrounding this area.

Mr. Reed noted the creation of an inner professional training zone, within the clinic, to serve as a training facility. He described this endeavor as the intersection between research, instructional components and community service.

Mr. Bridges further discussed the impact on students; having a connection with a clinic and patients better allows the students to see how important it is to solve these problems. The involvement of live patients also makes their efforts and studies more related.

President Cruzado commented that this program has been under development for some time. The main focus of expertise is for wounded warriors addressing PTSD with both internal and external components. Another area being explored in the mental health area is suicide prevention. In terms of a system level view; these facilities will allow for scientists to collaborate and complement one another.

Faculty Representative Bob Mokwa noted the campus curriculum program committees who internally vet programs to seek out duplicated efforts offered on other campuses. He stated that this particular area proves to be an area of collaboration, not duplication; similar to the Materials Science Program.



Commissioner Christian comment on the level of collaboration behind this agenda; further demonstrating our efforts to stay relevant for Montana and local businesses. He stated that he was proud of campuses for looking for opportunities for students and being relevant to the state.

Regent Albrecht motioned for approval. Motion passed 5-0.

b. International Travel - New BOR Policy; OCHE | *ITEM 162-101-R0314*

Deputy Commissioner Moisey described this policy change as the end result of aligning all campuses processes and policies for international travel. The policy change covers three areas: standardized procedures, registration, and documentation. There was strong support from all campuses and international programs for this policy change.

Chair Tuss noted how this also relates to our increased focus on security its appropriate application. This change was vetted extensively at the recent planning session as the MUS conducts a lot of international travel with faculty, staff and students.

Regent Rogala asked about Section II – Procedures specially the Registration language and if the MUS had already partnered with a business to provide this service. Dr. Moisey clarified that it simply sets the standard that a travel registry will be adopted.

Regent Rogala asked if the policy was limited to MSU, UM and four year institutions only. Dr. Moisey clarified that the policy calls on all campuses to have travel registration; using the recommended software. The software management is targeted to flagship institutions; but will be trickled down to affiliates.

Regent Robinson noted that Section A. does state that each campus will establish an approved process for international travel. It was his understanding that is would apply to all campuses.

Regent Krauss asked if the review and approval component was only applicable to those countries with a travel warning. Commissioner Christian clarified that the intent is for all international travel and is not intended to be an overly bureaucratic process. These kinds of efforts will also help better enable us to provide necessary alerts if need be.

President Engstrom added his understanding that this policy is simply an extra level of review and approval for those special circumstances when faculty and staff are visiting countries listed with the state department. Commissioner Christian agreed that there will be layers to this process. Clarified that this is intend to compliment and add to the current process, not replace it.

Chair Tuss noted recent examples where students were abroad in peaceful countries that experienced natural disasters and noted the importance of being able to communicate with them that they are safe.

Regent Krauss noted that dangers are abroad and local, and asked if this should be limited only to the travel countries under warning. Commissioner Christian indicated that



it would be best to include all countries as certain components of employment don't always transfer abroad; for example, workers comp isn't extended to include international travel.

Regent Krauss asked what role the board is expected to play in order to help facilitate this process and fill in these gaps of service. Commissioner Christian clarified that the overall goal is to reduce risk through better understanding which also includes finding ways to address these areas of additional need. The software and review will offer a checklist approach that will help us address these issues, which vary internationally.

Regent Albrecht extended her thanks to OCHE and the board for bringing this forth and getting standards up to par. She noted her appreciation that this will still help to facilitate international travel and also ensure students are in safe situations and can be contacted in circumstances of emergency.

Regent Albrecht motioned for approval. 4-1 motion passed; Regent Krauss dissent

c. MT Tech-UM Core Themes| *ITEM 162-1006-R0314*

Deputy Commissioner Moisey recapped the process for core theme approval and its relation to the NWCCU accreditation agency requirements. He discussed the two items on the agenda, both of which include core themes, which were approved at prior meetings, as part of the mission review process.

President Engstrom spoke as a member of the NWCCU and provided background information about the approval process. With respect to core themes NWCCU recently revamped the accreditation process. The first step asked the institution to identify their mission statement and what activities, over the next 10 years, will help them meet their goals. This information is then developed into core themes. These set the context for primary areas of focus and overlap with strategic plans of the institution.

Chancellor Blackketter asked for clarification between the approval confirmation and review of core themes. President Engstrom provided this clarification. Regent Rogala mentioned a discussion that took place during the ARSA conference call regarding the core themes of MT-Tech and the vetting process. He thanked President Engstrom for clarifying this process in his update.

Regent Rogala motioned for approval. Motion passed 5-0.

d. UM-Missoula Core Themes| *ITEM 162-1503-R0314*

Regent Rogala inquired to President Engstrom about the core themes for UM. President Engstrom informed him that all themes were very popular on campus. All five themes were universally and fairly reviewed on campus.

Regent Albrecht motioned for approval. Motion passed 5-0.

INFORMATION



a. New Level II Memorandum Items (for Action in May)

Deputy Commissioner Moisey briefly reviewed the items from Gallatin College - MSU and Helena College for the creation of new academic programs; these will be up for action in May.

b. Student Affairs

- Veterans Success

Mr. Ron Muffick, Director of Student Affairs reported on the progress to date regarding campuses efforts related to Veterans Success. Mr. Muffick reminded attendees that the focus remains for the MUS to be a veteran friendly system and the promotion of easy access to these services. He shared several photos from campuses that have used with \$1 million of OTO funding from the last Legislative session. Campuses created, updated, or otherwise applied this funding for specific veterans space and services. He noted that UM-Western did a particularly great job of developing a one-stop shop for services for veterans to get all information in one convenient location. He highlighted several services offered by campuses via best practices which include: veterans support coordinator positions, student peer mentors, veteran advisory boards, websites/portals, refresher courses, veteran designated communities within residence halls, etc. He stated that campuses across the MUS have made significant progress. He thanked the BOR for their continued focus on veterans; as expectations are that the veteran population will double given drawdown on troops.

Regent Tuss asked if the net impact related to retention for veterans students had been seen.

Mr. Muffick discussed the difficulty related to tracking veterans but noted that there has been significant increases in veteran enrollment and website searches. There are plans to further review retention in the future. Campuses have also commented that veterans are utilizing the services more and more.

Dean Wolff commented that Great Falls College-MSU has noticed a difference including increased interaction and support between veterans students. She expressed interest in seeing retention data.

Regent Krauss extended thanks for these efforts to ensure we are a veteran friendly system. He noted the difference in experiences for veterans on campus when a system is provided as a place of support on campus. He noted the OTO, that was received, demonstrates the Governor's and state's commitment to serving our veterans.

Dr. Mark Pagano, MSU-Billings shared an example of a student veteran who benefited greatly from these services.

Regent Robinson asked about next steps and finding some data related to data and performance. He asked how the advisory boards are working with OCHE to help identify next steps.

Mr. Muffick noted that there are measurements in place but they have not been reviewed. These metrics will report on enrollment, number retained, and graduation



rates. This information will be evaluated at the end of the academic year. He spoke to the interactions with advisory boards, reminded attendees of the best practices, and the continued involvement of the Veterans Workgroup, who collaborate further with campuses. He discussed the reporting requirements from campuses which include an executive summary and updated budget information every six months to ensure we remain in line with sub grants.

Regent Rogala discussed the benefits that OTO funding has provided for the MUS. He asked about further support and benefits for veterans and the relation to recent legislation passed in the House and now being discussed in the Senate. He discussed the various benefits that are being assigned to the state and potential burden for the MUS to consider.

Chancellor Storey commented that veterans centers have transformed the idea behind veteran friendly campuses and locations which has led to a positive impact and view point change from the community.

Student Loan Default Rates

Director Muffick reported that default rates are bad. He reported the MUS three-year default rate for 2008 was 10.65%; the best in the nation. This past success was highly attributed to default prevention efforts. Since then default rates have risen considerably each year. These indicated affordability, loan debt and management issues, economy issues, and issues related to the switch to direct loans. To help address these high rates the Board convened the Affordability Task Force which provided decentralized default prevention services and developed a coordinated and collaborative financial literacy effort. He stated that the Board should feel good about the services being offered to students through GSL. Montana is the first state to provide default prevention services to campuses; in other states this burden falls on campuses directly. He noted that Montana is slightly below the national default rate at both 4-year and 2-year schools. He noted that over 160,000 attempts have been made to contact direct loan borrowers and assist them with their repayment efforts. The level of outreach, man power and resources required to provide these services is almost inconceivable for campuses. There is now a financial literacy education program in place at each institution throughout the MUS. This coordinated, collaborative effort provides education system wide about making good financial decisions and choices.

Commissioner Christian asked for an update on issues surrounding high default rates, given there are significant repercussions for campuses and students. Mr. Muffick explained that default rates impact campuses ability to participate in Title IV aid. If a campus has a default rate of over 30% for a year they are on a warning list; if it proceeds for three years; they lose Title IV funding. We are seeing many campuses pulling their direct loan program in order to protect their Pell Grant funding.

Chair Tuss stated these numbers are too high for the MUS and asked if there is anything else we can do to help lower these rates.



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Mr. Muffick shared information related to the timeline to default and described the need for more resources for smaller campuses. He noted that on a more global level they are working with congressional contacts for direct lending.

President Jane Karas, FVCC noted that that community colleges are very concerned with these numbers and that work is being done on a national level to determine what elements are at play for two-year schools. Some of these elements include remedial classes, the consideration of stackable loans, as well as the difference in population.

Regent Albrecht asked about what all is included in financial literacy education. Mr. Muffick noted that it differs slightly by campus but explained there is test required by the federal government. OCHE recently stepped up their efforts to identify and use metrics for students similar to MSU. Currently they are working closely with UM to combine an academic piece. He clarified that it is more about changing the culture. This complicated approach depends on demographic information and other factors. An online budgeting tool has been provided to campuses and students to track spending; etc. The challenge remains with getting students to enter information.

Regent Robinson noted this is a serious concern for the Board. He asked what efforts were attributed to the slight reduction shown at MSU-B and FVCC.

Mr. Muffick clarified that this decrease can be attributed to our centralized efforts toward default prevention and are also related to the financial literacy efforts. The economy is another driving factor; however, options do exist for student to completely avoid defaulting.

Regent Krauss agreed that this is concerning information and noted his appreciation for these efforts to date. He reminded attendees of the larger issue at hand: paying for higher education.

Dean Bingham spoke at length regarding these concerns and the steps that Helena College have taken place to assist with it disbursement issues.

c. Level I Memorandum

Dr. Moisey noted that these are academic changes involving minimal costs, etc. These include the establishment of new degrees or programs, certificates and the determination or placement of moratorium for programs. These are approved at the OCHE office.

PUBLIC COMMENT:

Asa Hoffman, ASUM President spoke in support of annual fee implementation and mandatory sunset of fees by the BOR. He shared a resolution that suggests shifting the student annual fees and voting to schedule to an annual timeline. He stated that MAS is in support of this suggested resolution.

Regent Rogala asked for examples of the fees. Hoffman offered the infant care center fee and student recreation fee as examples.



Staff and Compensation Committee Agenda and ACTION

CONSENT

Staff Items

- a. MSU-Bozeman ITEM 162-2000-R0314
- b. MSU-Billings ITEM 162-2700-R0314
- c. MSU-Northern ITEM 162-2800-R0314
- d. UM-Missoula ITEM 162-1000-R0314
- e. OCHE ITEM 162-100-R0314
- f. Professor Emeritus of Wildlife Biology: Pletscher; UM-Missoula ITEM 162-1002-R0314
- g. Professor Emeritus of Film and Photography: Jahnke; MSU-Bozeman ITEM 162-2001-R0314
- h. Professor Emeritus of Animal and Range Sciences: Kott; MSU-Bozeman ITEM 162-2002-R0314
- i. Professor Emeritus of Health and Human Performance: Shaw; MSU-Billings ITEM 162-2701-R0314
- j. Professor Emeritus of Economics: Edwards; MSU-Northern ITEM 162-2802-R0314

Deputy Commissioner Kevin McRae noted these items include a number of contract approvals, professor emeritus acknowledgements and labor agreements. He stated that item B under labor agreements should be removed as work continues with negotiators.

Regent Robinson motioned to move consent agenda forward, with exception to item B under Labor Agreements. Motion passed 5-0.

Labor Agreements

- a. Montana State University Non-Tenure Track Faculty ITEM 162-104-R0314 | Attachment #1
- b. Missoula College Faculty ITEM 162-105-R0314 | Attachment #1

INFORMATION

9:25 AM a. Update on Compensation Planning

Deputy Commissioner McRae described MUS efforts to reach out and solicit faculty/staff input on budget and planning. He said the system has a great starting point for this input via the compensation focus group effort that began two years ago. The focus group's recommendations formed the basis for talking points and compensation priorities in the legislative process. Mr. McRae has worked with representatives over the last few months to review the recommendations from two years ago. The system may have some slight adjustments to the recommendations going forward, but the focus group report from two years ago still meets current needs for purposes of



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communicating and lobbying in 2015. The MUS will continue to communicate with partners in the executive and legislative branches. Committee staff will work closely with the staff of the budget committee. Staff for the Staff and Compensation Committee will work closely with the staff of the Budget Committee.

Regent Robinson commented that these discussions lead to further transitional discussions to adopt this outreach and interaction with representatives from faculty and staff and administration going forward.

Public Comment

Marco Ferro, MEA-MFT thanked Mr. McRae for his work on labor agreements. He encouraged the Board to keep the compensation committee task force going; noting the momentum they have gained. He spoke in support of continuing to address issues of conversion and restriction for faculty and staff. He encouraged the Board to think about how to address these issues and noted the continued support of MEA-MFT.

Faculty Representative Bob Mokwa noted that MUSSFAR hasn't been dwelling on faculty issues; due to mix of faculty representatives and prominence of unions. He relayed the request of adding an additional non-unionized faculty member being added to the committee if possible.

10:15 AM Public Comment

Dean Wolff advised those in attendance to check road conditions by dialing 511.

Meeting Adjourned at 10:42AM

Other than the meeting starting time, times listed are approximate. In addition, agenda items may be rearranged unless an item is listed as having a "time certain." Action may be taken on any item listed on the Board or Committee Agendas. Public comment is welcome on all items. The Board of Regents will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to the Office of the Commissioner of Higher Education as soon as possible before the meeting to allow adequate time for special arrangements. You may call or write to: ADA Coordinator. P. O. Box 203201. Helena MT 59620-3201. 406-444-6570 (or dial 711 for TDD)