

MINUTES OF THE BOARD OF REGENTS
OF HIGHER EDUCATION
MONTANA UNIVERSITY SYSTEM

DATE: June 15-16, 1988

LOCATION: Conference Room
Montana University System
33 South Last Chance Gulch

REGENTS PRESENT: Lind, Hurwitz, Mathers, McCarthy, Kaze,
Redlin, Riley
Commissioner of Higher Education Carrol
Krause

REGENTS ABSENT: None

PRESIDENTS PRESENT: Koch, Carpenter, Easton, Merwin, Norman,
Tietz

PRESIDENTS ABSENT: Wednesday, June 15: President Carpenter

Minutes of Wednesday, June 15, 1988

Noting Chairman Lind would be delayed, Vice Chairman Hurwitz called the meeting to order at 1:00 p.m. Roll call was taken and it was determined a quorum was present.

Capital Construction Committee

Regent Mathers, Chairman of the Capital Construction Committee, stated the committee met since the last regular meeting and heard presentations by each

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of the campuses on their capital construction requests for the 1989 biennium. Those were further refined at a meeting of the committee on May 27 following the Regents' workshop at which time staff was instructed to submit the projects for discussion by the full Board at this meeting. The rationale for the recommendations was also to be presented to the Board.

Mr. William Lannan reviewed the Draft Long Range Building Program Recommendation dated June 2, 1988 (on file). He explained health and safety projects, including handicapped accessibility, roofs, major maintenance, renovation of utilities and renovation of buildings were the broad categories which constituted major priorities in the draft recommendations. Mr. Lannan explained the rationale behind that recommendation is the belief existing physical facilities must be maintained. Some of the recommended projects are for vocational-technical center buildings.

Mr. Lannan next reviewed the "authorization only projects" recommended on page 3, and new construction requests recommended on page 7. He noted that through oversight the Life Science Building at MSU was left off the authorization only project list. Mr. Lannan asked that list be amended to include the Life Science Building at \$10,000,000.

Mr. Lannan concluded his report noting the present estimate for the entire state's long range building requests is presently estimated to be no more than \$6 - \$7 million in the cash program. There is at this time no discussion of a bond issue to increase the available dollars. If the System is fortunate, it will receive approximately \$3 - \$4 million from the cash

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program. Projects to be funded will be as usual be selected from the Regents' recommendations, but not necessarily in the priority order submitted by the Regents. Mr. Lannan noted, however, that the Regents' obligation is to let the Executive Branch know the System's needs, not base its request on anticipated available revenue.

Commissioner Krause spoke to the serious need for a System facilities planner. This position has been requested from the legislature for approximately the last three biennia. With that position, the System would be able to present documented requests for space needs, facilities renovation, etc., and develop the needed policies and procedures to provide guidance for System planning. Mr. Lannan has been attempting to provide what service he can in this area, but his growing responsibilities as Director of the Montana Guaranteed Student Loan Program will soon make that additional responsibility impossible.

In discussion of the new construction recommendations, Commissioner Krause noted the System has not received money for any new construction projects since 1981. He encouraged the Board to submit its new construction projects, however, because bonding obligations of the state are now at the stage where it is feasible to look at new bond issues. A new governor may look favorably on new construction also as a means of providing jobs.

In response to a request from Regent Mathers Commissioner Krause also reported the coal trust accounts were reviewed to determine if there were any pools of money available for construction projects. He

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distributed a handout titled "Selected Coal Trust Fund Balances" (on file). In summary, the report indicates there is nothing available in the coal trust accounts unless the corpus of the trust is invaded.

Presidents of each unit requesting new construction projects spoke to the importance of the buildings to the individual campuses.

After lengthy discussion on the recommendations, it was the consensus that a meeting of the Capital Construction Committee would be scheduled at 6:30 a.m. on Thursday, June 15 to revise the list incorporating the changes discussed in this portion of the meeting, and placing the requests in priority order. The Long Range Building Program request should include the vocational-technical center needs, and if possible, a method should be presented to the legislature to provide funding for the LRBP. Action must be taken on the Long Range Building Program request during tomorrow's meeting to meet the Executive Branch deadline for submission.

At this point, Chairman Lind arrived and assumed the Chair.

Item 59-501-R0688, Authorization to Increase the Budget for Reroofing the HPER Building; Montana College of Mineral Science and Technology, was reviewed by Mr. Lannan. The item increases the amount authorized for this project in Item 58-502-R0388 from \$180,000 to \$280,000. The increase was determined to be needed after thorough discussion of the repair problems during the architect interviews. On motion of Regent Mathers, the item was approved.

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Mr. Lannan explained the property being donated in Item 59-502-R0688, Authorization to Accept a Gift of Land from the Montana Tech Alumni Association to the State of Montana for the Use and Benefit of the Montana College of Mineral Science and Technology is contiguous to the east side of the campus, and will preclude undesirable activity adjacent to the campus. It will not add appreciable maintenance or upkeep, and the cost to the College will be \$10. On motion of Regent Redlin, the item was approved.

Mr. Lannan presented an addition to the agenda, Item 59-111-R0688, Remodeling of Treasure State Student Dining Room; University of Montana. The item increases the total expenditure authority for this project by \$41,000 over the original \$177,000 authorized in July and September of 1987. A letter from George Mitchell, Director of Financial Services, University of Montana, (on file) was presented with the item and carried a full explanation of the need for the additional funds. On motion of Regent Hurwitz, the item was approved.

Curriculum Committee

Submission Agenda

After brief review by the appropriate campus representatives, the following items were received for consideration at the September 1988 meeting:

Item 59-205-R0688,	<u>Authorization to Grant the Degrees of Bachelor of Science and Bachelor of Arts in Directed Interdisciplinary Studies; Montana State University</u>
Item 59-601-R0688,	<u>Authorization to Grant the Degree of Associate of Science in Tourism and Recreation; Western Montana College of the University of Montana</u>

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Action Agenda

President Koch reviewed Item 59-101-R0688, Authorization to Establish the University of Montana Center at Billings; University of Montana. The item is a "housekeeping" matter. To be in compliance with Regents' policy, it is necessary that the University of Montana establish a Higher Education Center at Billings for the purpose of delivering the Master of Business Administration degree program prior to implementation of that delivery. On motion of Regent Kaze, the item was approved.

Dr. Albrecht, Deputy Commissioner for Academic Affairs, reviewed his memorandum to the Commissioner dated June 8, 1988, (on file) carrying his recommendation to approve Item 58-501-R0388, Approval of Proposed Minor in Business; Montana College of Mineral Science and Technology.

Vice President David Toppen, Montana Tech, provided a brief overview of what has occurred at Montana Tech following the Board's decision to eliminate the bachelor's degree in Business Administration at the College by Fall 1990. Enrollments in the degree program from the Butte area have increased as students attempt to complete the degree prior to its removal from Tech. Accrediting agencies and advisory committees have expressed concern regarding the amount of business related training that will be available for students in Tech's major areas of study following removal of the Business Administration program. To fill the need in

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the business area at Tech, this 18 unit minor is proposed which has two components: An emphasis in accounting, or an emphasis in financing. The minor will not in any way exist as a stand-alone program.

Dr. Toppen spoke also to the issue of transferability of the courses which remain in the business minor at Tech. A meeting of the Academic Vice Presidents, the deans and department chairs of business across the state has been called by Dr. Albrecht to develop a plan to label and flag those courses which are not transferable for credit to AACSB accredited degree programs. All of the courses in the proposed Montana Tech minor will be subject to the scrutiny of those institutions and will be labeled as either transferable or not in Tech's catalog and in Systemwide literature. He urged the proposal's approval.

Dr. Toppen and President Lindsay responded to Regents' questions concerning the proposed minor. Commissioner Krause noted for the record that the recommended approval contains safeguards against getting back into a major mode of operation. There will be limits to the number of upper division courses needed, and it will be closely monitored.

Regent Redlin commended Montana Tech for its willingness to work with the Board to approach this program from another direction. Restating her reluctance to enter into reconsideration of actions taken by the Board, she stated that since the Board has done so and is about to do so again, she would comment the Board should

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keep this course in mind when future developments may come before us. She stated her belief the Board has established a new policy, that "reconsideration under certain circumstances is valid," and she would expect the Board to be consistent in that course.

On motion of Regent McCarthy, Item 58-501-R0388 was approved.

Dr. Albrecht reported briefly on a meeting held with deans of business across the System a few weeks ago. The agenda included discussion of the two-plus-two programs, facilitating the transfer of students from Tech and Western into the senior institutions' business programs, and the semester conversion. It was agreed care must be taken with equivalency of courses across the business curricula. The meeting was a successful cooperative effort, and that spirit of cooperation is expected to carry forward into future actions.

Commissioner Krause noted Item 42-002-R1283, College Preparatory Program; Montana University System (REVISED) should have been placed on the agenda of tomorrow's meeting, and would be deferred for action at that time.

Chairman Lind stated this was an appropriate time for a special presentation. He recognized the presence of Student Regent Leslie Kehoe, whose term expired earlier this month. On behalf of all of the Board, Chairman Lind wished Ms. Kehoe well, and expressed the Board's appreciation for her company on the Board, and her diligence in pursuing what she perceived to be the interests of the students during her term. He then presented Ms. Kehoe with an engraved copper plaque of the state of Montana.

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Ms. Kehoe responded, stating her impressions and thoughts over the past year. She thanked the Board, the presidents and their staffs, and the Commissioner and his staff for their assistance during her term and for the opportunity to learn from the experience.

Report on the Six Mill Levy Campaign

Executive Director Hal Stearns and Associate Director Bob Frazier reported on the progress of organizing the six mill levy campaign. Mr. Stearns spoke specifically to the caliber of the membership of the Committee for Higher Education, and the outstanding leadership its members are providing.

Mr. Frazier distributed handouts and reviewed the highlights of the state committee meeting, a list of the district chairpersons, and a list of statewide volunteers by county, arranged by district. He explained the allocation of funds to each district chairperson, the activities for which the funds could be expended, and the reporting mechanisms to be followed. Mr. Frazier also mentioned a video tape which has been distributed to student government officers, and commented on the enthusiastic support of students for the six mill levy campaign. He also reviewed the corporate donations received to date. The next meeting of the State Committee will be held on September 10 in Missoula. Mr. Frazier encouraged any Regents whose schedule would allow it to attend. In summary, Mr. Frazier reported the campaign is well launched and gathering momentum.

Commissioner Krause commented on the

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importance of personal contributions to the success of the campaign. He urged the Board, faculty, administrators, and staff to make whatever contribution possible.

Committee Assignments

Chairman Lind announced Regent Riley would be appointed to serve on the By-Laws and Policy, Curriculum, and Telecommunications Committees effective immediately.

The meeting recessed at 3:15 p.m. The Regents reconvened immediately in executive session.

State Board of Education; June 16, 1988

The Board of Regents and the Board of Public Education met as the State Board of Education in the Governor's Conference Room from 8:00 a.m. to 10:25 a.m.

Minutes of Thursday, June 16, 1988

Chairman Lind called the regular meeting of the Board of Regents to order at 10:45 a.m. Roll call was taken and it was determined a quorum was present.

Chairman Lind called for additions or corrections to the minutes of the previous meetings. None were stated, and the minutes of the May 5-6, 1988 meeting, the May 16, 1988 Conference Call Meeting, and the May 27, 1988 Special Purpose Meeting were ordered approved as mailed.

Budget Committee

Submission Agenda

Paul Dunham, Director of Special Projects, withdrew Item 39-001-R0683, Computer and Library Fee; Montana University System (REVISED). He

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explained after review of Item 39-001-R0683, it was discovered the proposed revision could create problems for the System's bonding program, and the decision was made to submit a new item rather than incorporate the library fee into the computer fee policy. He placed before the Board for consideration at a future meeting Item 59-008-R0688, Library Fee; Montana University System.

Mr. Dunham explained Item 59-008-R0688 provides that each student enrolled in a unit of the University System shall be assessed a library fee of \$1.00 per quarter credit hour up to a maximum of twelve credits, effective Fall term 1988, and discontinued no later than June 30, 1990 unless the Board of Regents continues it. Mr. Dunham reviewed the permitted uses of the fee, the intent that the fee is to provide additional resources for library and resource sharing materials, and the prohibition against the fee being used for library automation projects. Mr. Dunham explained the item does not provide the fee to the vocational-technical centers. Deputy Commissioner Vardemann will be looking at this issue in the transition planning and will make a recommendation at a future date. Student government officers have been informed the proposed fee would be placed on the submission agenda, and will probably wish to speak to implementation of the fee.

Chairman Lind called for comments from the Board. Regent Redlin questioned if implementation of this fee in the summer would violate Regents' policy against establishing such fees during the summer session when few students are

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on campus. Commissioner Krause explained the policy states students will be notified at the same time everyone else is notified of a change in mandatory fees. The policy discourages, but does not prohibit, adoption of mandatory fees when school is not in session or during the summer session.

Regent Redlin strongly endorsed the need for additional revenues for the libraries, but was opposed to accepting the policy in its present form. She referenced previous Board discussions on levying a fee on persons other than students who use the System's libraries. That was, she felt, properly rejected. Regent Redlin explained it does not seem appropriate to levy such a fee against students who are already paying a surcharge for use of such facilities through their tuition payment unless such fees are more broadly based. She suggested for discussion that a like fee be instituted for anyone who uses System library facilities, and that the sunset provisions in the item be governed by a contribution from the legislature through, perhaps, readjustment of the formula to include the library needs.

Regent Redlin's proposal was discussed at length, as was the amount of money such a fee would raise and what impact it would have on our tuition relationship to the System's peers. Chairman Lind noted recent salary increases granted may have to be funded by both tuition increases and program reductions. This was decided to be reasonable because fees had not been increased. He questioned how approval of this additional mandatory fee would be received in view of the rationale for the salary increases.

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A poll of the Presidents revealed that while none would deny the need for increased library resources, they were unanimous in wishing the proposed fee to be amended to make it elective rather than mandatory. The poll further revealed there was uncertainty if it would be implemented on some campuses; if it was, it would be after students had returned to the campuses and had been provided ample opportunity to comment.

The President of the Montana Associated Students spoke in opposition to the fee, particularly to its two-year sunset provision which MAS believes makes the fee selective in that it taxes students attending the units during a particular period of time, but ultimately benefits all students.

Chairman Lind stated that based on the recommendation of each of the presidents that the fee be elective, he would request staff so amend the policy and place it on the July agenda for action. Regent Redlin requested the library user's fee which is presently tabled be placed on the submission agenda of the July 1988 meeting. Staff was instructed to notify the statewide library network of this action.

Mr. Dunham reviewed Item 59-701-R0688, Authorization to Expend Computer Fee Funds; Eastern Montana College. The item requests authorization to expend approximately \$120,000 in student computer fee revenue at EMC to improve computer facilities as detailed in the proposal submitted with the item (on file). On motion of Regent Hurwitz, the item was approved.

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Jack Noble reviewed Item 59-503-R0688, Authorization to Change the Parking Regulations and Fine Schedule effective Fall Semester 1988; Montana College of Mineral Science and Technology. Details of the increased fine schedule and parking regulations are set out on the item. Fines at Montana Tech are among the lowest in the System and are certainly not sufficient to discourage violations. The purpose is not to collect money, but to control parking and traffic problems. The increased fine for minor and major infractions should cause those driving on campus to more carefully obey the regulations. On motion of Regent Kaze, the item was approved.

Item 59-103-R0588, Authorization to Assess Fees for Parking, Fall Quarter 1988, University of Montana was presented by Mr. Noble. He explained the extensive parking study and review process conducted by the University of Montana to support the proposal. The item requests authorization to assess fees of \$10 per quarter for regular parking and \$30 per quarter for reserved parking beginning Fall Quarter 1988. Mr. Noble recommended approval. On motion of Regent Kaze, the item was approved.

Mr. Noble reviewed Item 59-905-R0688, Transfer of Funds; Board of Regents; Commissioner of Higher Education. He referenced a previous memorandum to the Board setting out the deficiencies in the Regents budget again this year. He noted last year a similar shortfall occurred and Regents' voted to forego payment of the statutory sum due them for

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performance of their duties. A Legislative Audit report has expressed the opinion that such payments cannot be voluntarily relinquished. If that opinion is correct, the Regents have few alternatives. The prudent and legally proper course of action is to transfer funds to the Regents from the office of Commissioner of Higher Education, an entity over which they exercise plenary authority.

Mr. Noble suggested also that the Regents consider combining the Regents budget and the budget of the office of Commissioner of Higher Education in the appropriation process to prevent this kind of occurrence in the future. As rationale, he noted the increased per meeting costs when Regent Jeff Morrison of Helena retired from the Board, and was replaced by Regent Mathers, who must travel to Helena from Miles City to fulfill his Regental responsibilities. The cost differential per meeting in that exchange is approximately \$250. He mentioned also various methods of Regent travel preauthorization are being explored in an effort to control costs and still permit exercise of the Regents' governance responsibilities.

Mr. Noble recommended approval of the item, but cautioned this is a transfer between agencies and while there is no particular provision in the budget laws that speaks directly to such action, there is also nothing that specifically forbids such action. The Constitution places the obligation on the Regents to manage the System; however, there may be legislative reaction to the transfer. Commissioner Krause concurred with the

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recommendation, stating the transfer of funds authorized in this item is within the purview of the Board's authority.

Regent Redlin spoke in support of the item, but noted her concern that this type of action will, in the eyes of the legislature, always be the solution. That is, funds can be taken from the Commissioner's budget and used for Regents' expenses. It makes planning for the Commissioner's office extremely difficult if Commissioner's staff knows at the end of each year an unknown percentage of that budget will have to be transferred. She urged the Board to address the fact that its budget is probably not adequate for the responsibilities it has.

Regent Kaze supported Mr. Noble's comments that Regents should take care to notify the Commissioner's office of travel plans so the budget can be managed as efficiently as possible.

On motion of Regent Mathers, Item 59-905-R0688 was approved.

Item 59-006-R0688, Budget Amendments, FY-1988-89; Montana University System, was reviewed by Mr. Noble. Explanation of amounts, need, and budget amendment certifications for each amendment are contained in the item.

Mr. Noble noted the normal procedure in seeking approval of budget amendments is to submit them to the Legislative Fiscal Analyst for review by the Interim Legislative Finance Committee before they are brought to the Board for approval. Because this is the last Board meeting in this fiscal year, and

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the Legislative Finance Committee is meeting after this meeting, the process is reversed. The Board is asked to take action on the budget amendments today; they will be reviewed by the Interim Finance Committee on June 24. If the Finance Committee takes exception to any of the budget amendments, that message will be brought to the Board and the issue can be addressed at the July Board of Regents' meeting.

After review and discussion, the following actions were taken:

On motion of Regent Redlin, the FY Cooperative Extension Service budget amendment was approved.

On motion of Regent Kaze, the Montana Guaranteed Student Loan Program, FY 1988, budget amendment was approved.

On motion of Regent McCarthy, the Montana Guaranteed Student Loan Program, FY 1989 budget amendment was approved.

On motion of Regent McCarthy, the Paul Douglas Teacher Scholarship, FY 1989 budget amendment was approved.

On motion of Regent Kaze, the Education for Economic Security Grant, FY 1989 budget amendment was approved.

Next Mr. Noble reviewed Item 59-7003-R0688, Budget Amendments; Montana Vocational-Technical System. He referenced several previous actions taken by the Board which created a uniform fee structure in the vo-tech system, and modified some of the accounting treatments in the

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vo-tech system by moving some fees from the designated accounts into current unrestricted accounts. Because fees were moved, two centers need additional budget authority for next year to expend proceeds from the additional fees or amounts transferred from other fund groups. The Great Falls Vo-Tech Center needs authorization to expend \$81,470; the Missoula Vo-Tech Center, \$61,550. Both amounts are a small percentage of the centers' total budgets.

Mr. Noble noted there are some difficulties meeting the certification requirements, though clearly the additional fee revenues were unanticipated. Under House Bill 39, the Regents were assigned the duty to look at and establish uniform accounting processes and fee structures for the vo-techs. In doing that it seems equitable and fair the centers be provided the budget authority to expend the proceeds from the fees as requested in the item. If questions are raised on this item by the Interim Finance Committee, Mr. Noble stated those could be addressed at the July meeting.

Mr. Noble also reviewed the need for the budget amendment authority for vo-tech administration contained in Item 59-7003-R0688. The authorization allows expenditure of the carry over amount from FY 1988 required to be spent by Public Law 98-524 on Sex Equity.

The larger amount in the authorization pertains to funds that will flow back to the Office of Public Instruction for distribution in the K-12 area.

On motion of Regent Hurwitz, Item 59-7003-R0688 was approved.

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Mr. Noble reviewed Item 59-001-R0688, Program Transfers - Formula Driven; Fiscal Year 1988 Appropriation - HB 2; Regent Approved Operating Budgets; Montana University System, explaining the Regents are the approving authority for transfer of funds between programs. Transfers between expenditure categories and programs are necessary to adjust the FY 88 approved operating budgets to meet planned expenditure needs of the four campuses as set out on the item.

Mr. Noble briefly discussed the problems created for the University System by the timing of the budget approval process. He stated he had mentioned this to the Board in other meetings, and has discussed it with the Appropriations Committee. The budgetary process on the campuses is not complete until early September, which means the budget the Regents are required by law to approve in June is an "early estimate." The earlier the estimate, the larger the amounts of program transfers required at the end of the year. If the Executive Branch would agree to allow the University System to submit its operating budgets for approval in late August or early September they certainly would be more accurate, and fewer program transfers would be necessary.

After discussion, on motion of Regent Redlin, Item 59-001-R0688 was approved.

Mr. Noble explained Item 59-002-R0688, Program Transfers - Formula Driven FY 89; Appropriation - HB 2; Montana University System, is similar to the item just approved. Authorization

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contained in this item will allow funds to be transferred from the formula driven budget and place them in the programs in the manner in which it is believed they will be expended. Mr. Noble reviewed the individual campus transfers and responded to Regents' questions.

On motion of Regent Hurwitz, Item 59-002-R0688 was approved.

Mr. Noble concluded the Budget Committee agenda with a review and discussion of the following three items:

Item 59-004-R0688, Operating Budgets; 1988-89; Montana University System;

Item 59-7005-R0688, Operating Budgets; 1988-89; Montana Vocational-Technical Centers;

Item 59-1000-R0688, Operating Budgets; 1988-89; Montana Community Colleges.

He commented this is the most voluminous amount of budget material he has presented to the Board at any meeting. He expressed his appreciation to his staff, most of whom are new, for the extra effort and hours devoted to preparation of the material.

Mr. Noble explained the preamble to the operating budget (including the vo-tech center operating budgets) sets out the Boards' authority to approve budget amendments, program transfers, transfers between agencies, and assigns to the office of Commissioner of Higher Education authority to transfer funds at the end of the fiscal year and budget amend all funds not contained in the specific appropriation act. He reviewed the schedules contained in each of the items and responded to

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Regents' questions, noting also the items contained in the booklet form as presented are a handy quick reference for almost all budgetary questions Regents' are called upon to answer.

Mr. Noble called attention to Schedule 3 in Item 59-004-R0688. The general fund monies will decline next fiscal year by \$86,965. The supplemental monies transferred to the University of Montana and Montana State University totaling approximately \$422,000 to cover the short-fall in out-of-state tuition are still in the authority for next year, although the money was moved to FY 88. This results in a contingent liability of that amount. A supplemental appropriation will be requested of the legislature to replace that money in FY 1989. If that is denied, the budgets would have to be adjusted.

On an update on the millage account, Mr. Noble noted an approximate \$800,000 deficit fund balance was anticipated. Approximately 30% of that accounts' collections are received in June of each year. If collections remain steady, the deficit fund balance appears to be only approximately \$220,000. There appears to be grounds for optimism in the millage account. Mr. Noble will keep the Board informed on that account balance.

After discussion, on motion of Regent Kaze, Item 59-004-R0688 was approved.

In review of the vo-tech operating budget booklet, Schedule 1, Mr. Noble called attention to the Comparative Schedule of Budgetary Increases by Agency, Current Unrestricted Operating

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Funds, FY 1988-89. The bottom line indicated an increase from \$13,476,349 to \$16,505,695, a 22.48% increase. He explained that is an accounting transaction, rather than new funds. After adjustment for the phase-in monies that go back to the Office of Public Instruction, the increase to the vo-tech centers budgets is 1.8%. When the Regents were made sole state agency with responsibilities for the Carl D. Perkins vocational education monies last year the Office of Public Instruction retained the prior year funds and the authority for those funds expenditure was contained in the OPI budget. In the coming year, the second year of the vo-tech phase-in to the University System, all federal funds will flow through the Commissioner's office. Mr. Noble explained the schedule could be misleading. There is no new money involved, and certainly not any dramatic increase in funds available for the vo-tech centers. The Great Falls Center has had a significant increase in enrollment; the rest of the Center budgets -- like those of the University System -- are reasonably constant.

Mr. Noble spoke briefly of the approximate \$6 million shortfall that will occur in the vo-tech center budgets when the voted levy expires July 1, 1989 and services now provided by local school districts have to be assumed by the centers as the transition to state agency status is complete. H.B. 39 calls for the Regents to present to the 1989 Legislative Assembly alternate ways to fund the vo-tech centers; funding mechanisms are being studied now, and will be brought to the Regents

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for approval prior to January 1, 1989. The proposed funding structure for the vocational-technical centers will include recommendations for community college funding as well.

At Regent Mathers' request, Chief Counsel Schramm gave a brief report on where the System stands in acquiring the vo-tech center physical plants.

On motion of Regent McCarthy, Item 59-7005-R0688 was approved.

Mr. Noble explained the law requires Regental approval of the budgets of the community colleges although they are under the control of local boards. Mr. Noble reviewed the community college budgets before the Board today and recommended their approval.

On motion of Regent Hurwitz, Item 59-1000-R0688 was approved.

Prioritization of System Long Range Building Program
1989 Biennium

Mr. Lannan distributed copies and reviewed the changes to the draft long range building program priorities document discussed in yesterday's meeting. In summary, the Committee agreed that health and safety including handicapped accessibility, roofs and major maintenance, renovation of utilities and renovation of buildings were the broad categories of major priorities. The Committee made that decision in the strong belief that existing physical facilities should be maintained.

Some maintenance projects for the

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vocational-technical centers are included, but the list contains no requests for new construction at any of the centers.

The Committee felt asbestos abatement should be a statewide project, and recommends the legislature appropriate a sum of money to address this problem on all state buildings similar to the procedures followed by the legislature in the 1987-89 biennium.

Five new construction and renovation projects are included in the recommendation. The Committee suggests some other source of funds or funding model should be employed to pay for construction costs, and recommends these projects carry with them to the Executive Branch and the Legislature a suggested method of funding. Suggestions include exploring an increase in the corporate license tax, coal tax income, or a zero coupon bonding structure. Some sort of bonding would be necessary dedicating specified sources of funds to new construction and renovation.

Regent Mathers stated, based on his participation as a legislator who worked to set up the coal tax trust fund, that the intent in retaining that fund for use of future generations would not be violated if some future money flowing into that fund was used to preserve existing state buildings, which will indeed be used by future generations if they are properly cared for.

Regent Kaze moved approval of the Capital Construction Committee recommendations as the System's 1989-91 Biennium Long Range Building Program Request in the priority order presented.

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Vice President Jim Isch, MSU, spoke to priority 19, Replacement of Natural Gas Main - Phase I, at a cost of approximately \$60,000. Phase II would build the gas line from the physical plant buildings to the northwest corner of the field house, also at a cost of approximately \$60,000. If the Committee accedes, he requested those two phases be combined, and the amount requested be increased to \$120,000.

Vice President Toppen requested the Committee's rationale in determining priorities, particularly in the new construction and renovation section. Regent Mathers responded the Committee felt there is opportunity to realize this portion of the program in its entirety through a bonding project. There is no intent to allow one campus to play against another. The request is a unified one, and all are expected to work for the package. Considerations of economic development were included in assigning priorities, and at Eastern Montana College, the critical need for space was weighed.

Hearing no further discussion, the question was called on Regent Kaze's motion to approve the Long Range Building Program as recommended. The motion carried unanimously.

The System Long Range Building Program Priorities, 1989 Biennium, are attached to and made a part of these minutes.

Item 42-002-R1283, College Preparatory Program; Montana University System (REVISED)

Dr. Albrecht distributed copies of a revision of the College Preparatory Program. The item was deferred at the last meeting to provide the

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Board of Public Education an opportunity to review the proposal and comment on its effect on Montana high school curricula requirements. Dr. Albrecht discussed a number of meetings held within the System with personnel involved in K-12 education, registrars and admissions personnel, and members of the Board of Public Education, all aimed at reconciling differences and confusion over the Regents' recommended mandatory College Preparatory Program.

Following discussion with the Board of Public Education in the State Board of Education meeting held earlier this morning, Dr. Albrecht suggested alternatives to address the strongly expressed objection to the requirement that the required three years of mathematics "shall include . . . Algebra II." Those alternatives included: (1) leave it as it is; (2) add the language "or its equivalent;" or (3) let that problem be dealt with in the definition of courses material that must be prepared as quickly as possible once the college preparatory program is adopted.

Regent Kaze commented on the discussion with the State Board which indicated mathematics instruction at the high school level may change in the future. Insistence on retaining the sequential "Algebra II" title may prohibit that change being accommodated in order to meet the requirements of the college prep program. Regent Kaze proposed some suggested alternative wording such as "three years of sequential college preparatory mathematics" be used in the spirit of compromise. Regent Kaze expressed the opinion the Board should be flexible enough to

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accommodate any new concept in math instruction, but still be exclusive enough to not allow "bookkeeping 101" to be counted as part of the college prep curriculum.

After considerable more discussion it was the consensus of the Board that language on the mathematics requirement should be developed by staff working with interested persons that provides the flexibility requested by the detractors of the present language, and protects the sequential nature of a college preparatory math requirement. A provision should also be added for periodic review consistent with the requirements of the Board of Public Education and the Office of Public Instruction. Further, the item should be amended to add an effective date of Fall Term, 1990.

With those conditions in place, Regent Mathers moved Item 42-002-R1283 be approved as amended. The motion carried.

By-Laws and Policy Committee

Item 43-002-R0484, Residency Policy; Montana University System, was reviewed by Chief Counsel Schramm. He explained the three proposed changes were recommended by the admissions officers and registrars on the campuses. The first change provides more flexibility in obtaining in-state residency for fee purposes for children of divorced parents.

The second amendment expands Section 7(a)(iii)(A) and (B) regarding eligibility for students graduating from a Montana high school who register at a unit of the Montana University System

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within one year after high school graduation. Noting the suggested wording is ambiguous, Dr. Schramm recommended this section be amended to read "any graduate of Montana high school who registers at a unit within one year be changed by deleting "within one year" and inserting "no later than the second fall term following the student's high school graduation." The Board concurred with the recommended amendment, directing staff to develop the precise language.

The third proposed revision is contained on page 4 of the policy, section (8b)(i), and provides that to be eligible to receive in-state status for a particular term of enrollment the individual must be eligible for in-state status on or before the 15th instructional day of the term, rather than the first official day of registration.

On motion of Regent Mathers, Item 43-002-R0484 was approved as amended.

Vocational-Technical Education Committee

Item 59-7006-R0688, Approval of Methods of Administration for Implementation of the Civil Rights Guidelines; Montana Vocational-Technical System, was reviewed by Ms. Clack, Director, Federal Vocational Grants. She explained the item requests Regental approval of a document which must be submitted to the Office of Civil Rights in Denver to assure compliance of the Civil Rights Guidelines as part of the Board's responsibility as sole state agency for the Carl D. Perkins Vocational Education Act of 1984 for Montana. This revision continues and modifies the compliance review schedule begun in 1986

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and scheduled for completion by June 30, 1990. Unless revised, it is intended to cover subsequent five-year civil rights compliance review periods. On motion of Regent Hurwitz, the item was approved.

Commissioner's Report

Commissioner Krause reported a purchase of real property within the approved zone for property acquisition at the University of Montana. The property is located at 615 S. 5th East, Missoula, Montana, and is within the guidelines of the policy granting approval for such purposes. The purchase price was \$57,000.

Commissioner Krause reported campuses and the Commissioner's office are working on legislation to be proposed for Regent approval, including three System program modifications. Those are (1) a modification to produce additional library monies in the amount of \$1 1/2 million each year; (2) salary adjustments in the approximate amount of \$5 million each year; and (3) increased indirect cost recovery in the approximate amount of \$1.2 million.

Commissioner Krause asked the Board consider also asking for a facilities planner position, which is something the System has long felt is a critical need in managing the many facilities of the System, and in documenting needs in long range building program requests.

The Commissioner also reported on the progress of the HJR 58 Telecommunications Task Force. By the next meeting the Commissioner will make a recommendation to the Board on what is perceived to be the best method to proceed to meet the state's need in telecommunications.

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Council of Presidents

President Merwin, Northern Montana College, reported that at the Regents' workshop in May 1988 he was requested to bring to the Board a number of options with emphases on costs with regard to reconsideration of the elementary education program at NMC. He briefly reviewed the January 1987 action of the Board which eliminated that program at NMC effective summer term 1990. Since that time a variety of occurrences have led NMC to believe new information should be brought forward to encourage reconsideration of that action.

President Merwin also referenced the testimony of Havre area residents at the May 1988 meeting in Havre emphasizing their concern the elimination of elementary education would have on economic development, access, and quality in the Hilline are.

President Merwin stated the elementary education program at NMC is the program that fuels the rest of the College. It is a highly productive program, relatively low in cost, and in large measure funds the relatively expensive technical programs offered at NMC.

Mr. William Byars, Director of Fiscal Affairs, NMC, distributed and reviewed a document (on file) on the effects of loss of the elementary education program at NMC. In summary, the estimated total enrollment loss is projected to be 144 FTE students. The lost revenue attributable to these FTE outlined on the handout would result in a total revenue loss of \$150,904. The funding loss

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calculated by using factors in the current formula for System funding is estimated to be \$583,989. Mr. Byars stressed the only courses NMC would not continue to offer are about six regular courses plus the student teaching practicum for a savings of approximately \$18,000.

President Merwin elaborated on the small amount of savings the state would realize through elimination of elementary education, noting elementary education is probably the least expensive program in a university setting for training in terms of faculty salaries and equipment.

Gerald Bekker, Chairman of the Teacher Education Program at NMC, distributed and reviewed documents explaining credit requirements for graduation from NMC and noted the few that would be eliminated through withdrawal of the elementary ed program. Mr. Bekker also distributed and reviewed handouts on student enrollments and productivity ratings for selected elementary education courses, elementary education faculty and part-time faculty 1987-88 credit loads, and cost per student (faculty salary) for selected courses (all on file).

President Merwin then distributed and reviewed a document listing options to provide elementary education to the hiline (on file). Four options were presented and elaborated upon. They were: (1) Retain the present program at NMC; (2) Develop a transfer program; (3) Develop a new and innovative Elementary Education program, and (4) Delay deletion of the program. President Merwin concluded his presentation stating NMC's first choice would of course be option (1).

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Dr. Albrecht summarized his understanding of the actions taken by the Board affecting the elementary education program at NMC, and asked that corrections be made if his summarization was incorrect. At NMC there was an elementary, secondary, and K-12 program. By its action in 1987 the Board removed the elementary education program and left the secondary and K-12 programs. Most of what is required in K-12 is taken by students in elementary and secondary education. The Board actually pulled out the least expensive, most productive program of the three. Mr. Bekker concurred with the summary, and elaborated on details of the requirements for the K-12 and secondary programs.

Regent Redlin noted the lateness of the hour, and asked what timeline is necessary for a decision. President Merwin responded he understood an enormous amount of information had been hastily put before the Board. He stated his willingness to bring additional information to the July meeting. However, if Northern is not going to lose the program, the sooner that news is out the better because of the negative impact withdrawal of the program has had on enrollments at Northern. Some time was spent in discussion of the estimated numbers of students loss of the program would involve, and whether some might not continue in the two year transfer program rather than forego their education entirely. Some indication of the Board's intent is needed no later than the July meeting.

Recognizing the short amount of time

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between this meeting and the July meeting, Chairman Lind asked if staff could review the options presented and the costs associated therewith and report back to the Board at the July meeting. He cautioned, however, that economic considerations were only one of the factors in consideration of elimination of the program at NMC. Other concerns included redefinition of role and scope, and emphasis on mid-technology. The Board has two options: vote today to reconsider its previous action, or direct staff to prepare the report as stated above.

Regent Redlin reiterated her comments from yesterday that the original intent of the Board in its actions in reducing programs was to refine the institution's role and scope, and provide each one with a focus. Since that time Regent Redlin stated she believed the Board has retreated to some extent from that position. Since there seems to have been a willingness to consider solutions to the problems which any focusing causes on a campus, she stated she would be very reluctant to deny Northern that same opportunity. While she did not vote to reinstate football at Western, she did vote in favor of Tech's request to provide a business program since it seemed the philosophy of the Board had changed and she wished to remain in harmony with that.

Dr. Albrecht stated it would be difficult to produce a report in the amount of time available that would consider any of the issues other than cost issues. There would not be time to adequately explore alternatives such as joint programs, distant delivery, etc. President Merwin stated NMC's willingness to assist Board staff in any way possible.

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Hearing no further discussion, Chairman Lind instructed staff to prepare as detailed a report as possible on the option to provide elementary education at Northern Montana College, together with a costs analysis, and a summary of why the decision was made initially. Following that information receipt the Board will determine if it wishes to reconsider any of the options. He stressed, however, there will be no further public hearing on the issue. No public input will be received.

Concluding the report of the Council of Presidents, the following reports were received:

President Carpenter referenced discussion in the joint board meeting of the need for consistency in enrollment projections. He reiterated that while there are some variations, House Bill 2 contained the projection of 3199 FTE students for Eastern Montana College. The actual figures are approximately 3328 at the end of this year. Projections for the coming year are off to a similar degree. That translates out to approximately \$400,000 - \$500,000 that Eastern is not receiving. He supported the Commissioner's recommendation that actual enrollments be used in building future budgets.

President Carpenter also distributed copies of the "Directory of Successful American Indian EMC Alumni," which was prepared in an effort to encourage Native American students to stay in school and obtain their degrees.

President Koch reported two successful reaccreditations at the University of Montana. The American Bar Association has reaffirmed the

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accreditation of the School of Law. The Accrediting Council of Education in Journalism and Mass Communication has reaccredited the School of Journalism.

The Board of Public Education, Superintendent of Public Instruction, and the Faculty Association had no reports.

The Montana Associated Students welcomed Student Regent Lee Ann Riley to the Board, stating they looked forward to working with her in the coming year. They also reported on an organizational meeting of MAS held in Billings last week identifying their goals for the coming year, one of which is its enthusiastic support for the successful passage of Referendum 106.

Chairman Lind stated for the record that Regent Kaze has been appointed to a committee with members of the Board of Public Education to determine the appropriateness of placing the Fire Service Training School under the auspices of the vocational-technical centers. He will be working with Board of Public Education member Ted Hazelbaker, and will bring a recommendation to the Board on that issue.

Chairman Lind noted this is the last meeting to be attended by Vice President Victor Burt of Montana Tech. He stated the Board's appreciation to Mr. Burt for his years of service to the System and the state, and wished him well in his retirement.

Regular Agenda

On motion of Regent Riley, the following items were approved:

Item 59-100-R0688, Staff; University of Montana
(Includes 4 post-retirement contracts as amended)

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- Item 59-102-R0688, Resolution Concerning the Retirement of Robert L. Anderson, Professor of Education, Department of Educational Leadership; University of Montana
- Item 59-103-R0688, Resolution Concerning the Retirement of Kenneth C. Brett, Professor of Spanish, College of Arts and Sciences; University of Montana
- Item 59-104-R0688, Resolution Concerning the Retirement of Meyer Chessin, Professor of Botany, College of Arts and Sciences; University of Montana
- Item 59-105-R0688, Resolution Concerning the Retirement of William B. Evans, Professor of History, College of Arts and Sciences; University of Montana
- Item 59-106-R0688, Resolution Concerning the Retirement of Maxine C. Johnson, Director, Bureau of Business and Economic Research and Professor of Management; University of Montana
- Item 59-107-R0688, Resolution Concerning the Retirement of Carling I. Malouf, Professor of Anthropology, College of Arts and Sciences; University of Montana
- Item 59-108-R0688, Resolution Concerning the Retirement of Charles N. Miller, Jr., Professor of Botany, College of Arts and Sciences; University of Montana
- Item 59-109-R0688, Resolution Concerning the Retirement of Wayne P. Van Meter, Professor of Chemistry, College of Arts and Sciences; University of Montana
- Item 59-200-R0688, University of Montana 1988-89 Faculty Roster (Submitted for Information Purposes Only)
- Item 59-201-R0688, Staff; Montana State University Retirement of Herbert R. Agocs; Montana State University

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Item 59-202-R0688, Retirement of John Bashor;
Montana State University

Item 59-203-R0688, Post-Retirement Contract; Fred
F. Videon; Montana State
University

Item 59-204-R0688, Post-Retirement Contract;
Willard O. Keightley; Montana
State University

Item 59-300-R0688, Staff; Agricultural Experiment
Station

Item 59-400-R0688, Staff; Cooperative Extension
Service

Item 59-401-R0688, Retirement of Harold Strobel;
Cooperative Extension Service

Item 59-500-R0688, Staff; Montana College of
Mineral Science and Technology
(WITH ADDENDUM)

Item 59-510-R0688, Degrees; On Recommendation of
the Faculty, May 2, 1988;
Montana College of Mineral
Science and Technology

Item 59-500A-R0688, Staff; Montana Bureau of Mines
and Geology

Item 59-600-R0688, Staff; Western Montana College

Item 59-602-R0688, Post-Retirement Contract; Alan
G. Zetler; Western Montana
College

Item 59-603-R0688, Post Retirement Contract: Ralph
V. Kroon; Western Montana College

Item 59-700-R0688, Staff; Eastern Montana College
(with corrected page 3 and with
ADDENDUM "Administrative
Salaries 1989 Fiscal Year,
Eastern Montana College"
attached to and made a part of
these minutes)

Item 59-800-R0688, Staff; Northern Montana College

Item 59-801-R0688, Resolution on the Retirement of
Professor Horace F. Borchert;
Northern Montana College

Item 59-802-R0688, Resolution on the Retirement of
Associate Professor Thelma G.
Anderson; Northern Montana
College

Item 59-803-R0688, Resolution on the Retirement of
Professor C. Everett Pitt;
Northern Montana College

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Item 59-900-R0688, Northern Montana College 1988-89
Faculty Roster
(Submitted for Information
Purposes Only)
Staff; Office of Commissioner of
Higher Education (REVISED)

ADDITION TO AGENDA:
Item 59-7500-R0688; Staff; Billings Vocational-
Technical Center

The meeting adjourned at 2:45 p.m. The next regularly scheduled meeting of the Board of Regents will be held on July 25-26, 1988, in Great Falls, Montana.