

MINUTES OF TELEPHONE CONFERENCE CALL MEETING
BOARD OF REGENTS OF HIGHER EDUCATION
MONTANA UNIVERSITY SYSTEM

DATE: September 25, 1992
TIME: 9:00 a.m.
LOCATION: Office of the Commissioner of Higher
Education
2500 Broadway
Helena, Montana

REGENTS
PARTICIPATING BY TELEPHONE: Chairman Mathers; Regents Schwanke; Johnson;
Boylan; Belcher; Kaze; Topel

REGENTS ABSENT: None

PRESENT IN THE COMMISSIONER'S OFFICE: Associate Executive Commissioner David
Toppen; Chief Counsel LeRoy Schramm
Interim Associate Commissioner Sundsted;
Director of Budget & Accounting Laurie Neils;
Director, MCIS Program, Anne Wolfinger

Chairman Mathers called the meeting to order at 9:00 a.m. Roll call was taken and it was determined a quorum was present.

Chairman Mathers stated the first order of business was to seek approval of the operating budgets for the System. Action on those items was deferred at the regular September meeting to allow Regent Topel, Chairman of the Budget Committee, opportunity to review the budgets.

Regent Topel stated he had reviewed the budgets. He had questions he had not yet discussed with fiscal staff, but he was satisfied the answers would be such they would not affect approval of the operating budgets. Regent Topel then moved approval of the following items:

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Item 77-001-R0992, Operating Budgets; 1992-93;
Montana University System;

Item 77-7001-R0992, Operating Budgets; 1992-93;
Montana Vocational Technical Centers; and

Item 770-1001-R0992, Operating Budgets; 1992-93;
Montana Community Colleges.

Regent Topel noted there would be substitution of some pages in each of the budgets. Those will be distributed by fiscal staff.

Chairman Mathers asked Regent Topel what kinds of questions he had that had not been resolved. Regent Topel explained the questions included why there were substantial increases or decreases in some categories; some items were recategorized, and he wanted explanations on those; most questions were simply ones he wished explanations for so he would have a better understanding of the budget process, although some may indicate mistakes were made in preparation of some budget documents. The bottom line of the budgets would not be affected.

Chairman Mathers asked how much the overall budgets had increased over the previous year. Ms. Neils responded for the six units, the current unrestricted fund increased 2.4%, related principally to enrollment and other tuition increases plus a small amount for the pay plan - of course offset by the two recessions.

Chairman Mathers called for additional questions or comments on the operating budgets. Hearing none, the question was called. Regent Topel's motion to approve the operating budgets listed above carried.

Chairman Mathers stated the next matter on the agenda was consideration of Item 77-901-R0992, Budget Amendment - MCIS; Montana University System; Commissioner of Higher Education. This item was also deferred for action at the September meeting to allow questions raised by the Budget Committee to be resolved.

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Chief Counsel Schramm reported he had worked with Regent Topel to address the concerns raised. Those concerns are addressed in the Letter of Agreement (on file) sent to the Regents with the agenda material for this meeting. Four additions have been made to that Letter since the mailing. Dr. Schramm reviewed the changes, which make more explicit that the Montana Career Information Service (MCIS) Director (1) works under the direction of the Commissioner of Higher Education; (2) makes clear in paragraph 5. that the agreement is effective only upon approval by the Board of Regents and shall be effective until terminated by the Board of Regents; (3) adds to the sentence in paragraph 3. related to disaffiliation the phrase "subsequent to a termination of this agreement by the Board of Regents" to make clear that such disaffiliation comes about by the Regents' termination of the agreement. Dr. Schramm noted with those changes, the Letter of Agreement is satisfactory to the Commissioner's office, and he believed it was agreeable to Regent Topel.

At Chairman Mathers' request, Director of MCIS Anne Wolfinger reviewed the history that led to the requested affiliation of MCIS with OCHE, and to the financing that supports the program. The program is entirely self-supporting from user fees and other non-general fund sources, and will pay rent and other expenses to the OCHE. MCIS is a private program whose mission is to collect current labor market and educational data and develop it into useful career information with primary focus on state-based information. The Commissioner believes it is appropriate to associate the MCIS with his office and to house it within his office. The program will be recorded as an enterprise fund within the statewide budgeting and accounting system. The CHE will request the inclusion of MCIS as a modified, non-general fund request for the 1995 biennium.

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Regents' questions regarding termination details in the event the program becomes non-self-supporting, the statutory authorization of the program, and whether the program fits within the authority given to the Board of Regents to supervise the University System were responded to by Director Wolfinger and Dr. Schramm.

Regent Topel expressed his concern with the legislative reaction to the addition of two FTE's to the OCHE staff. He questioned if it would be more appropriate to tie the MCIS to a campus, rather than the OCHE office. Dr. Schramm responded that while there is no statutory authority to tie the program to any specific location, it has been closely tied over the years to the Department of Labor because of its data-generating responsibilities. The Department of Labor no longer encourages that affiliation. MCIS is now a "free-standing program." The Commissioner believes the program has sufficient importance and that its function is such that it should be provided the stability housing it within the OCHE would provide.

After further discussion of the possible legislative reaction to the addition to the OCHE office, Dr. Schramm suggested the budget amendment be approved by the Board contingent on its approval by Legislative Finance Committee when it is taken to that Committee next week. If that Committee has no objection to the budget amendment, it would at least provide an indication that the housing the program being in the Commissioner's office has the legislature's stamp of approval. Regents concurred with that recommendation.

With the caveat that approval hinges on approval of the budget amendment next week by the Legislative Finance Committee, Regent Kaze moved that Item 77-901-R0992 be approved. The motion carried with Regent Topel voting no. Regent Belcher abstained because he had not received his agenda material before the conference call meeting and had not had an opportunity for review of the item.

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Chairman Mathers stated the last item of business on the agenda was to review, edit and approve the memorandum to the members of the Joint Committee on Postsecondary Education Policy and Budget from the Commissioner dated September 25, 1992 (on file). The Regents directed the Commissioner to provide the Joint Committee with a response to each of the several directives and statements of intent contained in HB 2 as revised by the July Special Session of the Legislature. That response was included in the agenda material mailed to the Regents prior to this meeting.

Chairman Mathers called for questions and discussion of the response.

Regent Kaze asked if the \$100,000 of non-distributed additional six mill levy monies was included in the total millage distribution in section (11). He was told it was not. Staff was instructed to include in the response that by a motion adopted in the September meeting, the Regents retained that amount for distribution to the campus or campuses by winter semester based on emerging campus needs. The distribution will be based on FY 90 FTE in accordance with the motion passed.

Regent Johnson suggested modification be made to section (1) of the response to the Joint Committee to make clear that the Regents have complied with the legislative request not to raise tuition for the current academic year.

Regent Kaze asked if all Board members were in agreement that no tuition increase would be proposed by any mechanism for winter semester 1993. All members responded that was correct, although there was mention that there may be a tuition increase before the start of the summer session or fall semester 1993.

Hearing no further discussion, Regent Topel moved the response memorandum to the Joint Regents/ Legislative

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Committee prepared by the Commissioner be amended as discussed in this meeting and mailed to the members of that Committee. The motion carried.

Regent Johnson mentioned a letter he had received from a parent who has children in her family, one graduating at MSU and the other at UM, in the same year. The problem is that commencement at both institutions is on the same day, which makes it impossible for her to attend both of her children's graduations. While agreeing it is probably too late to make any change in commencement date at either institution this year, Regent Johnson suggested that issue be raised with the two universities for consideration in the future.

Associate Commissioner Toppen responded this issue has been raised with him by the Academic Vice Presidents. They will address this matter in future meetings and attempt to reach resolution in setting future calendars.

Regents Kaze and Johnson instructed Commissioner's staff to respond to the letter.

Hearing no further business to come before the Board, the meeting adjourned at 9:45 a.m.

The next regular meeting of the Board of Regents will be held on October 22-23, 1992 in Missoula, Montana.