

**THE BOARD OF REGENTS
OF HIGHER EDUCATION
Montana University System**

**C O N F E R E N C E C A L L M E E T I N G
M I N U T E S**

DATE & TIME OF CALL: APRIL 22, 1994—10:00 A.M.

LOCATION: MONTANA HIGHER EDUCATION BUILDING
COMMISSIONER'S OFFICE
2500 BROADWAY
HELENA, MONTANA

REGENTS PARTICIPATING: JIM KAZE (CHAIRMAN), PAUL BOYLAN, SHANE
COLEMAN, COLLEEN CONROY, PAT DAVISON,
CORDELL JOHNSON, AND KERMIT SCHWANKE

PRESENT IN COMMISSIONER'S OFFICE: JEFF BAKER, ROD SUNDSTED, LAURIE NEILS, LEROY
SCHRAMM, AND ROSE BOND (OCHE); BOB FRAZIER
(UM); AND BOB ANEZ (ASSOCIATED PRESS)

OTHERS PARTICIPATING: MIKE MALONE (MSU); BOB KINDRICK (UM);
LINDSAY NORMAN (MONTANA TECH); BILL
DAEHLING (NMC); RON SEXTON (EMC); SHEILA
STEARNS AND GLEN LEAVITT (WMCUM); AND
TODD MITCHELL (MAS PRESIDENT)

Chairman Jim Kaze called the conference call meeting to order at 10:00 a.m. Roll call showed that a quorum was present. Chairman Kaze explained that the meeting was called for the Board to approve the following items:

- (1) Item 82-003-R0394—Allocation of Special Session Reductions - FY95 Tuition; Montana University System (deferred from March 24-25, 1994 meeting)
- (2) Item 83-601-C0494—Purchase of Property; Western Montana College of The University of Montana - Addendum

Commissioner Baker said action had been deferred on Item 82-003-R0394 at the March 24-25 meeting in Havre primarily to meet with students to solicit their feedback on the proposed tuition increase. He suggested the Board approve Item 82-003-R0394 and defer any discussion of the flat spot to the May 19-20 meeting in Great Falls. The item recommended that the campuses be permitted to increase tuition by \$5, \$6, or \$7 per credit hour and that

the general fund reductions from the special session be made accordingly (as shown on the second page).

Regent Davison asked whether the legislature had provided specific directions on the \$6 million reduction from the special session.

Associate Commissioner for Fiscal Affairs Rod Sundsted said the only directions were that the Regents were to distribute the negative \$6 million appropriation among the units of the Montana University System.

Chairman Kaze asked each of the campuses for their feedback.

Provost Bob Kindrick from The University of Montana said the campus had discussed a \$6 per credit hour tuition increase with the students, and their response was cool but accepting. He said the campus' budget and planning committee had brought in a recommendation that morning suggesting a \$7 increase instead of \$6. President George Dennison was out of town, however, and had not had a chance to review the committee's recommendation; nor had the recommendation been reviewed with the students. Provost Kindrick said UM's stance at that time was to recommend the \$6 increase.

Chairman Kaze asked what efforts were made at UM to involve students. Provost Kindrick said President Dennison had conducted a forum with the students, and the dean of students also had been involved in discussions with students and student government.

Montana State University President Mike Malone referred to two extended meetings held with students. Although the \$7 increase was accepted, the student senate voted 11 to 2 in favor of eliminating the flat spot, which was the option they preferred on the premise that non-traditional or traditional students should not be subsidizing one another. President Malone said he was in favor of Commissioner Baker's recommendation to defer discussion of the flat spot.

Chairman Kaze agreed that discussion of the flat spot should be deferred and not undertaken during a conference call.

Montana Tech President Lindsay Norman said the actual numbers from the Havre meeting were provided to the student government leadership, who took them to the student senate. The figures also were published in the student newspaper. President Norman said the reaction was one of resignation. Montana Tech's recommendation was a \$7 increase.

Northern Montana College President Bill Daehling said the student senate held an open forum at which the proposed \$7 increase was presented. He said the students were resigned to the fact they would have to pay more to maintain current services because of fewer state resources. He said one alternative discussed extensively was a \$5.50 increase in tuition with \$1.50 per credit hour going toward the library.

Western Montana College Provost Sheila Stearns said she and Glen Leavitt had met with the student senate after the March 24-25 Board meeting. After discussions with other students, the student senate said it would recommend the \$7 increase and asked to be involved in the budgeting process. Provost Stearns said she had planned on doing that anyway.

Chairman Kaze questioned the presidents on the extent of student involvement in their budgeting processes and asked those who were not already doing so to make sure the students were involved throughout the process.

Dr. Ron Sexton from Eastern Montana College said that MAS President Todd Mitchell had met with President Bruce Carpenter to discuss the proposed increase and took the recommendation back to the students. They had held three meetings and taken a vote the previous night. They were resigned to the \$5 increase and also wanted to express a concern that the legislature was continuing to renege on its commitment to students by expecting the students to pick up more of their costs. They also rejected going from the proposed \$5 increase to a \$7 increase. Dr. Sexton said Eastern's recommendation, however, was to go with the \$7 increase.

MAS President Todd Mitchell said the students at Eastern felt the increase should not be increased beyond what was necessary to make up for the special session reduction. He said they were not comfortable going from \$5 to \$7.

In response to a question from Chairman Kaze, all the campuses agreed that student input into the recommendation had been sufficient.

Regent Davison said he felt they should postpone making a decision at least until the May 19-20 meeting. He expressed concerns about issues such as new programs, student access, the quality of education, and substituting general fund reductions with tuition increases. He said these long-term issues could be affected dramatically by the Board making a decision that day.

Regent Schwanke said he agreed with the issues Regent Davison raised, but the students had the right to know their financial commitments for next year. He said the Board needed to come to a decision on the amount of the tuition increase. He also pointed out that the students would be gone from the campuses by the Board's May meeting.

Regent Boylan said he agreed with postponing the decision.

Commissioner Baker said the points made by Regent Davison were valid, and his office and the units were in the process of addressing all those issues. He pointed out that they were in a transition period, however, and results would not be achieved immediately. All the problems would not be resolved by postponing a vote on the tuition increase. He said they were voting on a no-growth proposal; that is, replacing one source of revenue with another. Commissioner Baker said he strongly recommended that the Board address the

tuition increase at that time and continue to discuss the other issues at future meetings.

Regent Johnson pointed out that diminishing state support for public higher education was a nationwide problem and that tuition would have to go up.

Regent Coleman said he was not comfortable with Eastern moving from \$5 to \$7, but he had no problem with the rest of the recommendation.

After further discussion, Regent Schwanke moved that the Board approve an increase in tuition of \$7 per credit hour with the contingency that the campuses could drop back to \$6.

MSU President Malone said if that motion passed, all the campuses could go to \$7. He asked whether they were deferring to the May meeting some final discussion of the allocation of the reductions now that not three but six units could all be going to an increase of \$7 per credit hour.

Chairman Kaze said he understood that the allocation of the reductions had already been made.

President Malone said he would at least like to have it considered since the three units that had already gone to \$7 surrendered their tuition increases to general fund cuts, while those who would now go beyond \$5 or \$6 would be left with the tuition free to spend.

Regent Schwanke said that would have to be discussed at another time. He said the decision had already been made as far as the allocation of funds was concerned.

President Malone pointed out that there would be large winners and losers if it was not considered later. He asked that it be considered at the May meeting along with the flat spot discussion.

Commissioner Baker said he disagreed with Regent Schwanke's motion. He said the campuses had ample time to come forward with a recommendation, which was five campuses going to a \$7 per credit hour increase and one campus (UM) going to a \$6 per credit hour increase. He disagreed with putting in additional flexibility, pointing out that something concrete was needed, and he thought it was inappropriate to continue to add contingencies.

- ▶ **After brief discussion, Regent Schwanke moved that the Board adopt Item 82-003-R0394, which provided a \$7 per credit hour tuition increase for MSU, Montana Tech, EMC, NMC, and WMCUM, and a \$6 per credit hour increase for UM. The approval also would include the references in the item for non-resident students and the vo-techs. A roll call vote showed Regents Schwanke, Conroy, Johnson, and Kaze voting yes, and Regents Boylan, Coleman, and Davison voting no. The motion passed by a 4 to 3 margin.**

NMC President Daehling asked what the effective date would be for implementing the increase—summer or fall semester.

Mr. Sundsted said the projections were based on annual figures, which would include summer. He said there would be no problem for implementing the increase in the fall, however, particularly in light of how late the decision was being made. He asked the campuses when they planned on implementing the increase.

All campuses except UM indicated they would implement the increase for the summer semester.

Concerning the second item on the agenda, Item 83-601-C0494—Purchase of Property; Western Montana College of The University of Montana - Addendum, Provost Sheila Stearns said the item was meant to clarify a recent decision by the Board on Item 82-601-R0194, which authorized Western to purchase property located at 604 East Cornell in Dillon. She said the bank and the title company wanted more details on interest rates and on who could execute documents. Provost said the item under consideration addressed those concerns.

- ▶ **After brief discussion, Regent Boylan moved that the Board approve Item 83-601-C0494. The motion passed unanimously.**

With no other business to come before the Board, Chairman Kaze adjourned the meeting at 11:25 a.m.

Mailed to the Board of Regents on

(Date)

*Rose M. Bond
Secretary to the Board of Regents*

Approved by the Board of Regents on

(Date)

*Jim Kaze, Chairman
Board of Regents of Higher Education*