



MINUTES

Montana Board of Regents
The University of Montana Western
Swysgood Technology Center Great Room
March 6, 2008

Thursday, March 6, 2008

FULL BOARD CONVENES

The Board convened at 8:30 a.m.

Roll call indicated a quorum present.

Regents Present: Lynn Hamilton Chair, Steve Barrett Vice Chair, Todd Buchanan, Clayton Christian, Kerra Melvin, Janine Pease, and Lila Taylor. Also present was Sheila Stearns *ex officio*. Jan Lombardi education policy advisor present for Governor Schweitzer.

Absent and Excused: Linda McCulloch *ex officio* and Brian Schweitzer *ex officio*.

Regent Christian moved approval of the minutes of the January 10-11, 2008 regular meeting, the January 16, 2008 conference call meeting, and the February 28, 2008 confidential conference call executive session.

Motion approved unanimously 7-0.

INTRODUCTIONS

Chair Hamilton announced that Budget Director David Ewer was present for discussion with the Board. Also present was Senator Debbie Barrett.

President Karas introduced the new VP for Administration and Finance at Flathead Valley Community College, Mr. Chuck Jensen.

Dean Moe introduced Heidi Pasek, new Associate Dean for Instruction, Assessment and General Education, and Joe Schaeffer, new Associate Dean for Workforce Programs at Great Falls College of Technology.

Chancellor Groseth introduced Chris Wendland who replaced Chuck Jensen at MSU-Northern. Chair Hamilton introduced Jim Stipcich, Director of SAF.

Chancellor Storey welcomed everyone to the Western campus and gave an update on the block schedule. They are the only public university using the schedule, but two or three private colleges also use it. Professor Dyreson and students Heather Wendt, Mitch Jessen, and Denise McRea presented a brief film on the benefits of the block schedule and the reasons students like it.

SYSTEM ISSUES

ACTION

- a. Montana Student Loan Task Force recommendations. ITEM 138-110-R0308
 1. Discussion of the recommendations indicated this is not a finished product. Regent Barrett indicated financial aid issues will be a standing item on every Board agenda with more or less discussion by the Board as needed. Regent Taylor indicated she supported the ideas held in numbers 10, 11, and 12 of the recommendations (10, MHESAC be requested to adopt the following process: "Future financing issuance activity will require a signed written certification from the Chairman of the Board of Regents that: (1) a communication of intent about the financing was provided by MHESAC to the BOR, the Governor's

Office, and the members of CFAC prior to the MHESAC board's meeting at which the issuance of such financing was approved; (2) a properly noticed, public meeting was held to discuss the financing; (3) the financing was approved at a properly noticed, public MHESAC board meeting; (4) the BOR, Governor's Office and CFAC have been notified of the MHESAC approval of the impending financing; and (5) the president or vice-president of MHESAC has expressly approved the transaction." 11, MHESAC be requested to limit its *pre-October 1* national student loan activity to growth rate levels that are acceptable to its finance and credit providers and the rating agencies and that can be accomplished at economic return levels that justify the additional risk of MHESAC issuing bonds to support its non-Montana activity. 12, MHESAC be requested to limit its *post-October 1* national student loan activity to growth rate levels that are acceptable to its finance and credit providers and the rating agencies and that can be accomplished at economic return levels that justify the additional risk of MHESAC issuing bonds to support its non-Montana activity).

Mr. Jim Stipcich read a letter from MHESAC Board Chairman Fred Flanders expressing concerns about the extent to which the proposed recommendations would usurp authority from the MHESAC Board.

Chair Hamilton asked Commissioner Stearns to write a letter on behalf of the Board to the MHESAC Board to thank them for all their hard work over the years.

Budget Director Dave Ewer reminded the Board of the concerns that brought about the Task Force. The concerns centered around the levels of risk being taken, the style of the risks, accountability, and checks and balances.

Regent Barrett moved acceptance of the Task Force Recommendations subject to the following caveats: (1) it is recognized that work remains to be done in terms of some of the recommendations, particularly those involving action by the Boards of MHESAC and SAF; (2) the task force should remain in effect to convene as needed in order to ensure that discussion continues on these issues; and (3) it is understood that the report will be revisited at some time by the Board of Regents following further work on some of the recommendations.

Chair Hamilton asked OCHE staff to work on the language and to bring it back to the Board to work on it.

There was no system or public comment.

Motion approved unanimously 7-0.

COMMITTEE REPORTS & ACTION
ADMINISTRATIVE, BUDGET AND AUDIT OVERSIGHT
INFORMATION

g. Present Law budget presentation and discussion.

Regent Barrett reported the discussion from the Committee covered the tuition freeze for the past biennium, but they are going to start with the approach of maintaining core quality without a tuition increase. It is too early to predict that, but that is the beginning premise.

Regent Barrett announced the arrival of Senators Hawks and Laible.

Budget Director Ewer noted the Governor had set boundaries for his budget with a priority of covering the base budget. The biggest portions of the budget are allocated to Education, Medicaid, and Department of Corrections.

ACTION

- a. Planning for intercollegiate athletic projects; UM-Missoula. ITEM 138-1004-R0308

Regent Barrett moved approval of Item a.

There was no system or public comment on Item a.

Motion approved unanimously 6-0.

- b. Lease Bobcat Stadium to MSU Foundation; MSU-Bozeman. ITEM 138-2002-R0308

Item b. was pulled from the Agenda for further refinement of agreement.

- c. Construct ancillary research support structures in Lewistown; MSU-Bozeman. ITEM 138-2004-R0308

Regent Barrett moved approval of Item c.

There was no system or public comment on Item c.

Motion approved unanimously 6-0.

- d. Cooley Lab renovation/plan of financing; MSU-Bozeman. ITEM 138-2007-R0308

Regent Barrett moved approval of Item d.

There was no system or public comment on Item d.

Regent Taylor noted the item involved student fees and she was nervous about that. CFO Craig Roloff indicated boilerplate language had been entered into the item, and although student fees were mentioned as a revenue source, there were no student fees involved.

Regent Barrett amended his motion to strike the mention of student fees.

Motion as amended approved unanimously 6-0.

- e. Debt Management Agreements; MSU-Bozeman. ITEM 138-2005-R0308

Regent Barrett moved approval of Item e.

There was no system or public comment on Item e.

Regent Buchanan asked if all new debt was subject to this item as well. CFO Roloff indicated the item does not create authority to take on additional debt.

Motion approved unanimously 6-0.

INFORMATION

- a. Audit Reports.
 1. MSU – all campuses – June 30, 2007 – Unqualified.
 2. UM – all campuses – June 30, 2007 – Unqualified.
 3. Montana Guaranteed Student Loan Program – Unqualified.
 4. MUS Workers Comp Program – June 30, 2007 – Unqualified.
 5. Dawson CC – June 30, 2007- Unqualified.
 6. Flathead Valley CC – June 30, 2007 – Unqualified.
 7. Miles CC – June 30, 2007 – Unqualified.

Regent Barrett summarized that all the noted audits were unqualified.

There was no system or public comment on Item a.

b. Financial aid issues.

Regent Barrett indicated this item was covered in the discussion on the Student Task Force earlier. Financial aid issues will be a standard agenda item for continued Board review.

c. Montana University System - Athletic reports.

Regent Barrett noted these were required reports on the numbers of students, gender, and other demographics.

There was no system or public comment on Item c.

d. Long Range Building Program Priority recommendations.

Regent Barrett noted this was a potential list for the LRBP and was not presented in any particular order. Regent Taylor had indicated in discussion that every year the last item on the list had been deferred maintenance, and she believed it should make the number one priority before any new building. No action was taken and it is simply a working document at this time.

Associate Commissioner Robinson asked if it would be wise for the system to reconsider the project listing based on the comments by Budget Director Ewer in reference to the Governor's 20X10 Energy Initiative for state agencies to reduce energy consumption in buildings and other facilities by 20% by the end of 2010. Regent Barrett agreed it would, and noted that one of the big ones is the Missoula CoT building.

There was no system or public comment on Item d.

e. Plan for joint community library; MSU-Billings.

Regent Barrett indicated this is in the preliminary planning stage by MSU-Billings. He looks forward to the results and feels this might be a model for the system.

There was no system or public comment on Item e.

f. MUS 2008 finances update – PowerPoint presentation.

Item f. was deferred to the May 2008 Board meeting.

g. Present Law budget presentation and discussion.

Regent Barrett reported that Mick Robinson and Frieda Houser had provided information to the committee on how they are taking care of the budget, the assumptions they are using, the present law summary, and discussion of where they are going.

Mick Robinson indicated the present law budget has the pay plan included. It is constructed with an approach consistent with the way the budget was put together two years ago under CAP, and included a flat enrollment concept.

The key assumptions:

- Pay special attention to personal services since that is 75% of total expenditures, and they estimated salaries at a 4% increase per year
- Health insurance with 7% increase

Some specific expenditures:

- Promotion and merit increases which are contractual in nature
- Termination costs
- Operating costs – they are trying to gather specific information before arriving at a particular inflation factor.
- IT and Library are probably largest inflation factors of 9%
- Utilities are a major expenditure, and they have specific projections for each campus

In summary, the total estimate of present law increases for the educational units, community colleges, and the five agencies total \$70M for the biennium. \$10M would be covered by increases in mainly non-resident tuition. The dollar amount needed in state funding will be \$60M for the biennium.

The Board will follow the same budget process they used in the last biennium, while increasing their collaboration with PEPB (Post Secondary Policy and Budget Committee).

Public Comment

Victoria Clark with the Bitterroot Valley Community College effort indicated she was concerned there were no funds earmarked for services in the Bitterroot.

h. MUS initiatives.

Regent Barrett indicated this is the first cut at the initiatives and the list is un-prioritized.

There was no system or public comment on Item h.

i. OCHE initiatives.

Regent Barrett indicated these were bread and butter items for the Commissioner's Office.

There was no system or public comment on Item i.

j. Financial market issues re: MUS debt.

Regent Barrett noted this item will be included in the full financial discussion at the May 2008 meeting.

CONSENT

- a. Expend student computer fees; Montana Western. ITEM 138-1601-R0308
- b. Naming ABSL-2 Building as "Johnson Family Livestock Facility"; MSU-Bozeman. ITEM 138-2008-R0308
- c. Naming BSL-3 Building as "Jutila Research Laboratory"; MSU-Bozeman. ITEM 138-2009-R0308
- d. Student computer fee allocation; MSU-Billings. ITEM 138-2707-R0308
- e. Use of instruction equipment fees; MSU-Billings. ITEM 138-2709-R0308
- g. FY08 and FY09 Online Only Fee Matrix; MSU-Bozeman. ITEM 138-2006-R0308
- h. Revision to Residency Policy 940.1. ITEM 138-106-R0308
- i. Revision to Governor's scholarship program. ITEM 138-111-R0308

Regent Barrett moved approval of the Consent Agenda except for items f. and j.

There was no system or public comment.

Approved unanimously 7-0.

- f. Employee participation in company under Policy 407; MSU-Bozeman. ITEM 138-2003-R0308

Regent Melvin noted that the spouse of the employee holds equity in Item f. She asked if that meant they were already the sole owner. Provost Dooley indicated that there was no requirement for the campus to bring this item to the Board since the spouse is not an employee. However, they did want the Board to be aware of the close relationship.

There was no system or public comment on Item f.

Regent Barrett moved approval of Item f.
Motion approved unanimously 7-0.

- j. Revision to Policy 501.1, MUS Honor Scholarships. ITEM 138-112-R0308

Regent Melvin asked if it was possible to require a lower cumulative GPA than the 3.4 in the policy. Commissioner Stearns indicated that issue had been researched with the financial aid offices. They already have the ability to grant waivers so it would be advisable to leave it as it is. The scholarships have already been awarded under these parameters. Chair Hamilton asked what the data showed on student eligibility. Bruce Marks indicated that 75% meet the requirement, and virtually 100% requesting a waiver are granted waivers in the first year. Rickie Jones, Director of Financial Aid at MSU-Western reported that over the past 3 years 100% of student requests for waivers had been approved. They use professional judgment in making these decisions. She did not think the standards of scholarship should be lowered based on individual exceptions. Regent Buchanan indicated the policy had been revamped based on what the system could afford.

There was no system or public comment on Item j.

Regent Barrett moved approval of Item j. effective for students entering fall 2008.
Approved unanimously 7-0.

WORKFORCE, RESEARCH AND ECONOMIC DEVELOPMENT

INFORMATION

Research & Technology Transfer Report – MSU & UM.

Regent Taylor indicated the presentation on the research units was made during the committee meeting. No action was required.

There was no system or public comment.

ACADEMIC AND STUDENT AFFAIRS

ACTION

- a. Exception to Policy 301.12, Radiologic Technology programs at four institutions. ITEM 138-103-R0308

Regent Pease moved approval of Item a.

There was no system or public comment on Item a.

Motion approved unanimously 7-0.

- b. Exception to Policy 301.12, Respiratory Therapy programs at two institutions. ITEM 138-104-R0308

Regent Pease moved approval of Item b.

There was no system or public comment on Item b.

Motion approved unanimously 7-0.

Level II Items

- a. Revision of program offerings in Department of Health and Human Development, MSU-Bozeman. ITEM 138-2004-R0108
- b. Energy Research Institute, MSU-Bozeman ITEM 136-2002-R0907
- c. Associate of Applied Science degree in Construction Technology-Carpentry, MSU-Billings College of Technology. ITEM 138-2703-R0108
- d. Certificate of Applied Science in Medical Coding and Insurance Billing, MSU-Billings College of Technology. ITEM 138-2704-R0108
- e. Bachelor of Science degree in Geosciences, with two programs of study in Earth History, Evolution and Resources; and Water, Climate and Environment, UM-Missoula. ITEM 138-1001-R0108
- f. Bachelor of Science dual degree in International Field Geosciences in collaboration with University College Cork in Ireland and Potsdam University in Germany, UM-Missoula. ITEM 138-1002-R0108
- g. Bachelor of Science degree in Interdisciplinary Geosciences, UM-Missoula. ITEM 138-1003-R0108
- h. Creation of a new Department of Communicative Sciences and Disorders, UM-Missoula. ITEM 138-1004-R0108
- i. Conversion of the following Certificates to Certificates of Applied Science: Building Maintenance, Carpentry, Computer System Technician, Culinary Arts, Customer Relations, Heavy Equipment Operation, Medical Reception, Pharmacy Technology, Recreational Power Equipment, Sales and Marketing, and Welding Technology, UM-Missoula College of Technology. ITEM 138-1005-R0108
- j. Creation of a new Electrical Engineering Department, MT Tech of UM. ITEM 138-1501-R0108
- k. Associate of Applied Science degree in Equine Studies, Miles CC. ITEM 138-401-R0108

Regent Pease moved approval of all Level II items.

There was no system or public comment.

Motion approved unanimously 7-0.

INFORMATION

- a. Diversity Report, Montana University System.

Regent Pease reported on the committee discussion and suggested some ideas on future use of the report.

There was no system or public comment on Item a.

- b. Update on model nursing curriculum.

Regent Pease reported that the Board of Nursing held a two-day retreat in January with nursing directors from throughout the university system nursing programs. The

campuses now have clear direction from the Board of Nursing about the model nursing curriculum.

There was no system or public comment on Item b.

c. Update on two-year and certificate programs and possible moratoriums.

The Board had created a deadline of this May for compliance with Regent Policy 301.12. Programs that are still out of compliance by that deadline are scheduled for moratorium.

There was no system or public comment on Item c.

d. Discussion of campus recruiting strategies.

Regent Pease reported that the discussion in committee indicated recruiting is both a science and an art, and there is still a lot of work to be done to perfect the strategies.

e. Grateful Nation.

Regent Pease reported that President Dennison discussed two individuals who were raising funds for the children of soldiers killed in combat. UM-Missoula has incorporated a 501(3)(c) trust to include room, board, outreach to the family, and assurance they will get their education at one of the public schools in Montana. Funds will be transferred from the UM-Foundation to any one of the campuses. All of the campuses were urged to participate in this program.

f. Indian Education for All student projects at UM-Missoula teacher education program.

Regent Pease indicated Dean Evans had provided a report to the committee, and this item will be on each meeting Agenda with different units reporting.

g. Proposal to award graduate degrees, retroactively, to architecture students. MSU-Bozeman

Provost Dooley indicated the new requirements in the industry are to hire those with a Masters degree. Students at Bozeman took the five-year program equivalent of a Master's program, but were awarded a Bachelors. This plan will redress the problem and award a Masters to all those students who graduated with a Bachelors in architecture.

h. NASH Access to Success update.

Commissioner Stearns reported that 20 of the 50 states represented in NASH (the National Association of System Heads) have joined the Access to Success Initiative, and to reexamine how to better use financial aid, and to work more closely with K-12 to achieve higher rates of degree completion, especially among under-represented and minority populations.

CONSENT

a. Level I Memorandum

Regent Pease moved approval of Item a.

There was no system or public comment on Item a.

Motion approved unanimously 7-0.

- b. Addition of International Baccalaureate score to Policy 301.16, Writing Proficiency ITEM 138-105-R0308

Regent Pease moved approval of Item b.

Deputy Commissioner Barber indicated this was a housekeeping item.

There was no system or public comment on Item b.

Motion approved unanimously 7-0.

The Board recessed at 12:00 noon for lunch and reconvened at 12:55 PM.

STUDENT REPORTS

The following students gave campus reports:

Kristiny Lorett, President of MAS

MAS provided three candidates to the Governor for the Student Regent position: Bovard Tiberi, Mitchell Justine, and Cedric Jacobson.

Kristiny Lorett, President of ASMSU-N

Tegan Molloy, President of ASMSU

Taylor Nahrgang, President ASUM-W

Alicia Esteves, Business Manager ASMSU-B

Steven Patterson, Vice President ASMCC

Chris Mjelde, President ASMT

A. J. Hernandez, Senator ASMSU-GF

Curtis Matteson, President ASUM-H

Dustin Leftridge, President ASUM

Regent Barrett introduced his brother, Evan Barrett, Director of Economic Development in the Governor's office, and their mother Mrs. Barrett.

SYSTEM ISSUES continued

BOARD DISCUSSION

Two Year Education Planning

Associate Commissioner Tyler Trevor noted the purpose of the presentation was to describe the current situation of two-year education in Montana and the mission and role of the Montana University System and the two-year institutions, and offer some guidelines and principles for the foundation on which two-year planning should be formulated.

Current situation:

- Community colleges (proposed Bitterroot Valley CC).
- Colleges of technology (2 stand alone and three integrated).
- 2-year course offerings at 4-year institutions (MSU-N, MSU, UM-W).
- Other 2-year higher education locations (Libby, Lewistown, Bitterroot proposed).
- Tribal colleges.
- Distance learning.

Expectations for two-year education

Traditional two-year mission

- Occupational and technical degrees and programs to address work force needs.
- General education and transfer degrees and credits.
- Developmental education.
- Work force and job training.
- Continuing Education.

Proposed Goal Statement:

Build on existing system-wide initiatives to develop a more coordinated approach to 2-year education in the Montana University System in order to:

- Increase College Participation.
- Improve Student Success.
- Coordinate Strategies & Resources.
- Address Regional Workforce Needs.
- Increase Administrative Efficiencies.
- Improve Community Perception & Awareness.

Guiding Principles:

2-Year Education Delivery System that Maximizes:

- Access.
- Affordability.
- Efficiency.
- Responsiveness.
- Transferability.
- Partnerships.

Next Steps

March 2008 – December 2008

1. Receive feedback from Board of Regents; request Board approval of Goal Statement and general direction.
2. Continue to invest in 2-year education. (see budget initiative)
3. Present to PEPB.
4. Convert Director of 2-year Education position at OCHE to Deputy Commissioner of 2-year Education.
5. Convene state-wide team to further develop and refine approaches. (Making Opportunity Affordable).
6. Change the names of the Colleges of Technology to something that better reflects their missions and creates broader public acceptance.
7. Return to Board of Regents in November 2008 with well defined vision and strategies.

STAFF AND COMPENSATION

CONSENT

Staff Items

- a. OCHE. ITEM 138-100-R0308
- b. MSU-Bozeman. ITEM 138-2000-R0308
- c. MSU-Billings. ITEM 138-2700-R0308
- d. MSU-Northern. ITEM 138-2800-R0308
- e. Professor Emeritus of Pharmaceutical Sciences: Todd G. Cochran; UM-Missoula. ITEM 138-1005-R0308
- f. Professor Emeritus of Physics: George Tuthill; MSU-Bozeman. ITEM 138-2001-R0308
- g. Professor Emeritus of Music: Gary Behm; MSU-Billings. ITEM 138-2701-R0308
- h. Professor Emeritus of Business: Thomas D. Hinthorne; MSU-Billings. ITEM 138-2702-R0308
- i. Professor Emeritus of General Education: Susan G. Baack; MSU-Billings. ITEM 138-2703-R0308
- j. Professor Emeritus of Administration: Curt Kochner; MSU-Billings. ITEM 138-2704-R0308
- k. Professor Emeritus of Geology: Thomas Zwick; MSU-Billings. ITEM 138-2705-R0308
- l. Professor Emeritus of Special Education: Linda Christensen; MSU-Billings. ITEM 138-2706-R0308

Regent Christian moved approval of all staff items a. – I.

There was no system or public comment on the staff items.

Motion approved unanimously 7-0.

Labor Agreements / Other

a. Teamsters – UM Motor Pool. ITEM 138-109-R0308

Regent Christian moved approval of Item a.

There was no system or public comment on Item a.

Motion approved unanimously 7-0.

The following individuals spoke regarding compression and inversion at UM-Missoula and requested the regents look at their report.

Professor Mike Kupilik, Economics Department
Professor Jim Hirstein, Math Department

SYSTEM ISSUES continued

Regent Barrett requested public comment on the earlier two-year planning presentation.

The following individuals commented:

Dixie Stark, Bitterroot Valley Community College, Darby
President Jane Karas, Flathead Valley Community College
Victoria Clark, Bitterroot Valley
Senator Rick Laible
Regent Kerra Melvin
Professor Sheila Roberts, UM-W

ACTION

b. Approval of Perkins six-year state plan. ITEM 138-102-R0308

Regent Barrett moved approval of Item b.

Dr. Arlene Parisot introduced TJ Eyer, new Director for Career Technical Education at OPI, with whom she has worked closely on the 6-year plan.

There was no system or public comment on Item b.

Motion approved unanimously 7-0.

Dean Mary Moe thanked Dr. Parisot upon her retirement for her service to two-year education over the years.

Chair Hamilton read a Resolution of Thanks from the board for Arlene Parisot.

PUBLIC COMMENT

For the convenience of those who had traveled a long way to make public comment, it was moved from the end of the meeting.

Laurie Gorham Hammill, Flathead Valley Community College re: Confucius Center providing funds to the Mansfield Library at UM-Missoula.

MSU long term Master Plan presentation

Craig Roloff CFO noted MSU has been working over the past two years on a long-term (100 years) master plan. MSU Architect Walt Banziger gave a presentation on the master plan. They will complete it in summer of 2008.

Set of Principles:

- Land use
- Open space
- Architecture
- Transportation

Goals and Concepts:

- Primary concept is land use – will continue to cluster into formal districts
- Academic
- Community venues – public interface
- Campus housing neighborhoods
- Enterprise zone
- Mixed zones

INFORMATION & REPORTS

- a. Legislative update.
- This update will be sent to the Board.
- b. System initiatives & accountability measures.
- c. Enrollment update.
- d. Campus reports (see written reports).
- e. Classified staff report (see written reports).

The meeting was closed at 3:55 for Executive Session

EXECUTIVE SESSION – Honorary Doctorates; UM-Missoula and Montana Tech, and litigation/strategy.

With no further business to come before the Board, the meeting adjourned at 5:00 p.m.

Posted on

Approved by the Board of Regents on

Date

Date

Sheila M. Stearns
Commissioner of Higher Education and
Secretary to the Board of Regents

Lynn Morrison-Hamilton
Board Chair

The next Board meeting will take place on May 29 and 30, 2008 in Havre.