



## MINUTES

### Montana Board of Regents The University of Montana-Helena College of Technology March 19-20, 2009

**Thursday, March 19, 2009**

Roll call indicated a quorum present.

**Regents Present:** Stephen Barrett Chair, Clayton Christian Vice Chair, Lynn Morrison-Hamilton, Lila Taylor, Todd Buchanan, Janine Pease, Mitch Jessen, Commissioner Sheila Stearns *ex officio*, Superintendent of Public Instruction Denise Juneau *ex officio* was represented by Keith Carparelli. Governor Schweitzer, *ex officio*, was excused. Regent Buchanan was absent on March 20, 2009.

Roll call, approval of minutes, and introductions

- January 7, 2009 Minutes
- January 30, 2009 Conference Call Minutes
- February 6, 2009 Conference Call Minutes
- February 13, 2009 Conference Call Minutes

Regent Clay Christian moved approval of the minutes from the January 7, 2009 regular meeting, January 30, February 6, and February 13, 2009 conference call meetings. Motion passed 5-0.

Regent Steve Barrett reminded the group of the perilous economic times throughout the country and therefore, the importance of concentrating on the goals of the strategic plan and the responsibility to focus on course developments and core commitments.

Commissioner's Report

- Enrollment Report

Associate Commissioner Tyler Trevor, Office of the Commissioner of Higher Education (OCHE), explained the enrollment report listing student FTEs throughout the Montana University System (MUS). There has been an overall increase of 2% from spring semester 2008. Large increases have been seen at UM-Missoula, UM-Helena COT and FVCC, with a headcount increase of 1,500 students in the Montana University System as a whole.

Discussion followed on the need for additional courses and training due to the declining economy as recessions typically cause students to look into higher education. College application volume is up again from a year ago, but not to the extent that it was at this time in 2008.

With the increased evolution of student enrollment there is an increased need for a data warehouse coupled with sustainability, largely the technology and effort necessary to maintain it. OCHE's programmer is developing a sustainable model, which will include



financial aid and human resource information in the future.

- Campus Issues and Reports (written reports only)
- Legislative Issues

Deputy Commissioner Mick Robinson, OCHE, touched on some bills of interest to the university system. Bills of interest mentioned were:

- HB 2 General appropriations act, which has been transmitted to the Senate. The MUS budget is currently \$5.6 million under the Governor's December 15, 2008 budget.
- HB 645 Implement receipt and appropriation of federal stimulus funds. The intent is to ensure that local education agencies and publically funded institutions of higher education have the resources to avoid reductions and retain teachers and professors.
- HB 5 Long-range building and planning (LRBP), including funding for deferred maintenance, MSU Animal Bioscience Building, MUS Energy Conservation Improvements, UM-Western Main Hall, and authority only projects, such as MSU laboratories, MSU general authority, UM general authority, and the UM Interdisciplinary Science Building. The projects included in the bill follow the Board's priority list.
- HB 467 University system bonding for new buildings, which currently lists \$66,000,000 in bonding for building projects. (Bill did not pass)
- HB 228 Citizen self-defense and firearm rights
- HB 459 Create and fund K-12 distance learning network
- SB 80 Elect Board of Regents (Bill did not pass)
- SJ 3 Interim study to consider establishment of Montana Scholarship Program
- SJ 9 Study student loan system
- HB 13 Increase in employee health premiums

Commissioner Stearns clarified that one intent of HB 645 as it pertains to higher education is to have the resources to stabilize and avoid losing faculty and staff. The funds are to be used for education and general expenditures and in such a way as to mitigate the need to raise tuition and fees for in-state students or for modernization, renovation and repair of institution of higher facilities.

Deputy Commissioner Robinson stated there was a misconception that the entire \$42 million included in HB 645 would all go toward mitigating tuition. He clarified that only \$10 million was designated in HB 645 for tuition mitigation.

- Policy and By-Laws Review

Commissioner Stearns explained this is an initiative in the commissioner's office that began in the fall of 2008, when she initiated a comprehensive Board of Regents' policy review. This review is intended to make our policies current, remove out-dated references and provisions, ensure consistency among policies, and correct errors in formatting, numbering and text. Policies requiring changes beyond the authority of the



commissioner will be brought forward for Board of Regents consideration over the course of 2009 and, if necessary, 2010. She also pointed out that BOR Policy 203.3.3 authorizes the commissioner or her designee to edit existing policy when editing does not result in any substantive revision of the policy. Such editing includes changing the numbering and placement of policies, as well as changes in capitalization, punctuation, syntax and format. The commissioner may also add and delete annotations and explanatory material.

**Administrative, Budget and Audit Oversight Committee**

**ACTION**

- a. Proposal to Grant Easement to Verizon Wireless, Inc., Fort Missoula Property; UM–Missoula ITEM 142-1011-R0309 Attachment 1 Attachment 2

President George Dennison, UM-Missoula explained this was a standard easement, which is an agreement with Verizon only. If Verizon ceases to use this easement, the agreement would be either terminated or renegotiated at that time.

- b. Contract Renewal of College Savings Bank; OCHE ITEM 142-102-R0309

Deputy Commissioner Robinson recommended moving forward with the renewal of this contract for an additional two years, through June 30, 2009.

- c. Insured Certificate Deposits by College Savings Bank; OCHE ITEM 142-103-R0309

Deputy Commissioner Robinson clarified that this is an expansion of options offered by the Montana Family Education Savings Program.

- d. Easement/Right of Way; MSU-Bozeman ITEM 142-2001-0309 Attachment

Craig Roloff, MSU-Bozeman, explained this is a mutual benefit agreement with MSU-Bozeman and the city of Bozeman for a traffic “roundabout” in a key intersection adjoining the campus. This is an expansion of the right-of-way which requires cutting into the corner of each of the four corners of the intersection, but will not affect parking in the area.

- e. Proposed Amendments to HB005; MSU-Bozeman ITEM 142-2004-R0309

Deputy Commissioner Robinson said this building project has been amended into HB 5, is associated with federal stimulus funding and is to finish existing laboratories. The funding is associated with possible federal grants associated with the federal stimulus funding. If this item is not approved by the Board, then this request will be removed from the legislative requests. The two parts of this amendment include \$7.5 million for the lab area and an additional \$5 million of general authority.

Craig Roloff explained that this project has been under consideration by MSU for some time. This project had not been submitted for inclusion in the Long Range Building Project (LRBP) requests, but is rather a project of opportunity with the federal stimulus



funding through a competitive grant. The campus needs the regents' endorsement for this project in order to be able to take this proposal to the next step in the application process. This item is for the authority to spend funds for projects if the funds become available. The campus will not receive any operating and maintenance (O&M) funding for this project for the 2010-11 biennium.

Public Comment: Shane Calvin, a student at MSU-Bozeman, expressed concerns of the possible effects on the amount of green space on the campus.

Commissioner Stearns encouraged approval of items e & f and commended the two campuses for having research projects ready to apply for the grants.

- f. Increase in Project Authorization for Inter-Disciplinary Science Building; UM-Missoula ITEM 142-1016-R0309

President Dennison explained this was as a result of bond money they had obtained as a result of the commissioner's office deciding not to build a new building. This proposal finishes remaining floors of a building that has already been built, of which most will be used for research purposes. This project will be submitted as a competitive grant associated with the federal stimulus funds. This project is dependent upon receiving the grant funding.

Deputy Commissioner Robinson clarified that the campuses are required by state law to provide the information on these projects before the state legislature for approval prior to submitting the grant application.

## DISCUSSION

- a. Grow Eastern Montana Plan; Miles Community College Attachment

Darrin Pitcher, Miles Community College, showed a video in which President Stefani Hicswa explained that the "Grow Eastern Montana Plan" is a plan to increase enrollment at Miles Community College and that this plan is specific for Miles Community College. The intent of the plan is to offer resident tuition for out-of-district students. This would not require any additional faculty or staff but would help fill classes as well as the residence halls.

Regent Lynn Hamilton requested market competitiveness information on area institutions against which Miles Community College would potentially be competing. Miles Community College agreed to include the information for the May Board of Regents meeting.

Discussion followed:

- What the level of impact this plan would have on students from WICHE states who currently pay 150% of in-state tuition.
- Possible long-term problems with base-funding with this approach.

Regent Christian suggested moving the Grow Eastern Montana project forward.



Regent Hamilton told the Board it was important to understand what the parameters would be for this program and requested this be approved as a pilot program.

Regent Lila Taylor questioned the state funding portion of this proposal but supported the overall concept.

Deputy Commissioner Moe will continue to work with Miles Community College to identify the concerns.

Commissioner Stearns said her office will work with MCC on how this policy would work, to identify the concerns and to determine if this is a good plan for Montana?

b. *Trusteeship Magazine, Association of Governing Boards of Universities and Colleges, The Human Side of Financial Hard Times*

There was no discussion on this item.

c. Financial Aid: Update on Student Loan Issues

Robin Graham, Montana Guaranteed Student Loan Program (MGSLP), said President Obama's budget includes the elimination of the Federal Family Education Loan Program for academic year 2010-11. A major concern is that the elimination will be through the budget reconciliation process instead of the policy debate arena. Currently, Federal Family Education Loan Program (FFELP) does 75% of the student loan volume, whereas direct student loans encompass 25% of the loans. All the Montana schools participate in FELP and moving to direct loans would be extremely costly. A paramount concern is that moving to direct loans would add \$1 trillion to the federal deficit over the next ten years. The MGSLP cohort default rate is 2%, which is a national low.

Jolene Selby, CFO, Student Assistance Foundation (SAF), said the Montana Higher Education Student Assistance Corporation (MHESAC) has funded all the FELP loans for FY 2008-09. MHESAC, SAF and MGSLP are also prepared to deliver all loans for FY 2009-2010. Ms. Selby reminded the Board that MHESAC has the responsibility to service the loans throughout their lifetime.

Regent Barrett explained a possible resolution to indicate that a high priority of the Board of Regents is to freeze tuition for in-state students if appropriate funding is granted to the Montana University System. Although no action was taken on the resolution, the intent of discussion on the document was to make it clear to the legislature that, if possible, the Board would mitigate tuition increases as much as possible depending upon state appropriations.

Regent Christian noted that a strong signal can be sent to the legislature that they need to do their part and then the regents will do their part.



Regent Hamilton reminded the Board of the MUS tuition policy that has been in place since 2003 and indicates that tuition needs to be maintained at an appropriate level to maintain quality education.

She added that tuition is the difference between providing education and the amount of state funding received.

Regent Mitch Jessen observed that keeping tuition low is one of several top priorities of the regents and requested changing the last sentence of the resolution to say "a" top priority, rather than "the" top priority. He added that it is important to mitigate tuition while maintaining quality education.

Commissioner Stearns explained the Delta Cost Project document showing a reflection between state funding and student success. Montana is 50<sup>th</sup> in terms of expenditure per student and is one of the best in keeping costs down in degree completion. Another way of looking at it is that MSU and UM are first in the nation in terms of efficiency and high productivity. She indicated that Montana has had to rely heavily on tuition.

Discussion points:

- Concern with the cost burdens students and parents carry.
- The need for policy-makers and the legislature to be aware that the State share of funding per student needs to increase dramatically.
- A reminder that the federal stimulus bill is a temporary funding source.
- Concern that we are not sufficiently focused on reforms despite several reform initiatives in progress: common course numbering, dual enrollment, and expanding enrollment in two-year education.

Public comments on the issue came from students Siri Smilie, Vice President Associated Students of UM-Missoula; Shane Calvin, President Associated Students of MSU-Bozeman; Christine Lorette, Associated Students of MSU-Northern; and Trevor Hunter, President Associated Students of UM-Missoula and Montana Association of Students:

- Concern of the possibility of cutting support and services at the campuses.
- Concern of effects of cuts on campuses, especially in the area of personnel.
- Concern of the ability to recruit if lack of quality results due to too many cuts.
- Can the campuses recruit differently?
- Can the campuses present classes differently?
- Importance of maintaining quality education.
- There must be a balance between affordability and a quality product.
- Affordability needs to be a concern, but not at the cost of providing a quality education.

### **CONSENT**

- a. Name "The Will and Nancy Weaver Library"; MSU-Great Falls COT  
ITEM 142-2851-0309 Attachment
- b. Student Computer Fee Equipment Allocation; UM-Missoula ITEM 142-1013-  
R0309



- c. Classroom Technology Equipment Initiative; UM–Missoula ITEM 142-1014-R0309
- d. Student Computer Fee Employment Allocation; UM–Missoula ITEM 142-1015-R0309
- e. Policy 203.6, Conducting of Board Business by Electronic Mail ; OCHE ITEM 142-104-R0309 (Reviewed as Part of OCHE Comprehensive Policy Review)

Regent Barrett moved approval of consent agenda items a-e. Motion passed 7-0.

Regent Christian moved approval of action items a-f. Motion passed 7-0.

### **CONSENT**

Senior Fellow Emeritus of the Carroll and Nancy Fields O'Connor Center for the Rocky Mountain West; Pat Williams; UM-Missoula ITEM 142-1010-R0309

### **Academic and Student Affairs Committee**

### **ACTION**

- a. UMW Request to raise ACT/SAT admissions requirement to 22 ACT/1540 SAT. ITEM 142-1601-R0309

Deputy Commissioner Sylvia Moore explained this was request from UM-Western to raise the admissions standards to an ACT score of 22 to be consistent with requirements at other four-year campuses. Chancellor Storey said this will not make a difference in enrollment, as there are alternate options for students to enroll, but the lower admissions standard creates the perception that UM-Western does not have high standards.

Regent Mitch Jessen asked if the admissions standards are raised, then will the professors be expected to raise their standards as well? Chancellor Storey responded that was a discussion that needed to be held yet, but that they do want faculty to raise the standards within their classrooms. This request does not have any effect on students that require remedial coursework. Regarding students that apply for two-year degrees, UM-Western will continue to allow students to enroll in remedial programs, and when those students acquire the appropriate proficiencies, they can then enroll in a four-year program.

Discussion followed on the connection with the P-20 alignment goals, including dual enrollment, raising high school graduation rates, raising math proficiency standards, and the need to have standards that are clear and consistent.

### Level II Items

- b. Masters of Science degree in Health Sciences, MSU-Bozeman ITEM 142-2001-R0109



Deputy Moore explained that a new process was implemented with a pre-BOR meeting conference call with the academic and student affairs committee and the campus representatives.

Joe Fedock, Vice Provost MSU-Bozeman, explained ITEMS b, c, and d represent degree programs that will serve a large number of students currently enrolled in baccalaureate programs.

- c. Master of Arts and PhD in American Studies, MSU-Bozeman ITEM 142-2002-R0109

MSU-Bozeman has worked closely with counterparts in European institutions, said Mr. Fedock. Students have shown extensive interest in this program and this would provide an opportunity to expand in the area of American studies. Mr. Fedock added that there is a small additional cost associated with additional teaching responsibilities, but that the basis for the interest in this major is to attract non-resident students, who pay larger portions of the tuition costs.

- d. 2+2 Engineering Program, UM-Missoula, MSU-Bozeman, Montana Tech ITEM 142-1001-R0109

Deputy Commissioner Moore said this is a program that is at Montana Tech as well as MSU-Bozeman.

Provost Royce Engstrom, UM-Missoula, explained the purpose of this item is to ensure the transferability of students to UM-Missoula wanting to pursue an engineering program at UM-Missoula. This is an introduction of engineering courses, and the students go on to complete their degrees at either MSU-Bozeman or MT Tech. No additional faculty will be hired; therefore, no additional resources will be needed. There is no option at this time to include the COTs with this arrangement. MSU-Bozeman currently offers the introductory engineering course on-line to allow MSU-Billings students the option of taking those courses prior to transferring to MSU-Bozeman for the completion of their degree.

- e. Consolidate Biochemistry Program, create BS in Biochemistry, change graduate program name from "Biomolecular Structure and Dynamics" to "Biochemistry and Biophysics", UM-Missoula ITEM 142-1002-R0109

Deputy Commissioner Moore explained this was the result of significant strategic planning at UM-Missoula.

Provost Engstrom explained there were two principal actions within this proposal. This item would move what is now an option in biochemistry within the chemistry major into an actual Bachelors of Science degree option in biochemistry. The 2<sup>nd</sup> action is to take an existing PhD program, which is now Biomolecular Structure and Dynamics and to change the name to Biochemistry and Biophysics in order to convey clearly to the students what is being studied. No additional resources will be needed for this change.

- f. Minor in Climate Change Studies, UM-Missoula ITEM 142-1004-R0109





Provost Engstrom stated this was specifically for the strong connection between research and teaching on the campuses and that it addresses a problem facing this generation of students globally. This program addresses what is behind climate change, the science of climate change, the policies and politics of climate change, and the technological solutions that will be needed.

Provost Engstrom reminded the Board that the needs of the students today may be different from the needs of students in five years, so it is imperative to continue to look at programming and that educators must continue to improve offerings for students.

- g. Energy Technology A.A.S. program in Applied Computing and Electronics Department, UM-Missoula COT ITEM 142-1003-R0109

Provost Engstrom said this is a program at the UM-Missoula COT that was first approved as a pilot program. This request is for the final approval of the program which will allow the program to continue beyond the pilot stage. This has been one of the most successful programs at the UM-Missoula COT and prepares the students as general energy technicians.

- h. A.A.S. in Graphic Design, FVCC ITEM 142-301-R0109

Provost Kathy Hughes explained this proposal was created as a result of requests from both businesses and students and includes an internship with local businesses.

Regent Pease moved approval of items a-h. Motion passed 7-0.

### CONSENT

- a. Level I memorandum

Deputy Commissioner Moore explained that this memorandum is intended to inform the Board of the Level I changes in academic programs that have been approved in the Office of the Commissioner of Higher Education since the January 2009 meeting of the Board of Regents. It was noted that one item on the memorandum is the removal of a program that is no longer relevant to the students.

- b. Revised Policy 218.4, Institutional Organization; Montana State University-Bozeman (Reviewed as part of OCHE comprehensive policy review, associated with Policy 218, Institutional Organization)

Deputy Commissioner Moore explained that the revised policy items are part of the policy clean-up to assure the changes that have been made over the years are shown accurately.

- c. Revised Policy 218.1, Institutional Organization; University of Montana-Missoula (Reviewed as part of OCHE comprehensive policy review, associated with Policy 218, Institutional Organization)



- d. Revised Policy 218.6, Institutional Organization; Montana State University-Northern (Reviewed as part of OCHE comprehensive policy review, associated with Policy 218, Institutional Organization)
- e. Revised Policy 218.10, Institutional Organization; Miles Community College (Reviewed as part of OCHE comprehensive policy review, associated with Policy 218, Institutional Organization)
- f. Revised Policy 301.16, Writing Proficiency ITEM 142-107-R0309 (Reviewed as part of OCHE comprehensive policy review)

Regent Pease moved approval of consent agenda a-f. Motion passed 7-0.

### INFORMATION

- a. American Indian and Minority Achievement
  - “Intersecting Interests: Tribal Knowledge and Research Communities” – April 8-10, 2009

Regent Pease stated this event focuses on how the MUS works with tribes in the area of research.

- b. MUS Writing Assessment – invitation to participate

This item topic lists opportunities for people to participate in the MUS Writing Assessment workshops that Dr. Jan Clinard directs and involves grading the essays of 9,300 participating students.

- c. Level II memorandum to campus academic officers (BOR will act on these items at the May 2009 BOR meeting)

Deputy Commissioner Moore explained this is the introduction of new programs being considered in the MUS. Once the information is shared with the campuses, the campuses have two weeks to respond with any possible concerns. These programs will be acted upon at the May Board of Regents meeting.

Regent Hamilton encouraged other regents to submit comments to Deputy Commissioner Moore if they have any concerns about the programs involved.

- d. Update on the Transfer Initiative and Recognition of Faculty Learning Outcomes Council Members & Leaders

Deputy Commissioner Mary Sheehy Moe stated this was a tremendous accomplishment of all the campuses and involved working closely with tribal colleges as well.



Bill Macgregor, Director of Transferability Initiative, OCHE, explained models on campuses used to ensure the students are aware of the courses available for transfer. More information is available at [www.montana.edu/newnumbers](http://www.montana.edu/newnumbers) which was created to provide information for the students. There is concern about continued funding for this project which would affect the level of future work to be done on this project.

Regent Buchanan requested a discussion at a future meeting on system-wide distance learning.

**Regent Buchanan was excused for the remainder of the meeting.**

- Employee Appeal

Regent Taylor moved to deny the employee appeal and affirm the decision of the commissioner office. Motion passed 6-0, with Regent Buchanan absent.

Executive Session *Room 102B*

- Honorary Doctorate
  - ✓ Approved by consensus
- Building Naming Proposal
  - ✓ Approved by consensus
- Personnel Matter
  - ✓ Approved by consensus

**Friday, March 20, 2009**

Kindergarten to College Connections

Superintendent of Public Instruction, Denise Juneau, spoke on “the pipeline,” forming partnerships, building coalitions, the need for teachers in rural areas, and what is best for students. She reminded the Board that policies developed should be focused on students. Superintendent Juneau and her staff have been meeting with Commissioner Stearns and her staff to work on areas of partnering through data, remediation in reading and math, and dual enrollment. She said the job of K-12 is to prepare students for grade 13 level, whether it be for higher education or the workforce.

Commissioner Stearns added that there are numerous groups throughout the state interested in the connections between K-12 and higher education. The Office of Public Instruction and the Montana University System have been working together on issues such as achievement gaps and dual enrollment.

Superintendent Juneau and Regent Pease recommended having a member of the legislature added to the K-College Workgroup.

Steve Meloy, Executive Director of Board of Public Education (BPE), said his Board has been working on accreditation standards revisions for teachers this past year. The Board of Public Education is also struggling with unintended consequences of the former SB 152 from the 2005 legislative session, which unintentionally prohibits the



Board from implementing revised standards until the month of July after the approval by the legislature and approval of the legislative interim committee. The BPE has also been working on dual enrollment and student achievement in math and science.

Deputy Commissioner Moe explained the Career Pathways project in which high school faculty, business representatives, and members of the university system are working to create specific pathways that guide the students either directly into the workforce or into the academic pathway with lists of needed courses for the particular area the student has chosen. This program includes tech prep courses, advanced placement courses, running start opportunities, work based learning and on-line learning. The students are also advised on the requirements in higher education if they have interest in achieving a professional certificate, apprenticeship, certificate of applied science or associates of applied science degree and baccalaureate degree.

Deputy Commissioner Moore recently participated in a conference that focused on access, which is a concern of all. She reminded the Board that financial barriers are not the only barriers that exist for students. She cited examples of five OCHE programs for improving access, partnerships, teacher certification alignment and student achievement:

1. Educational Talent Search (TRIO) directed by Rene' Dubay
2. Jan Clinard's work with proficiency standards
3. GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs), directed by Sandy Merdinger
4. Minority achievement, directed by Ellen Swaney
5. Distance Education and eLearning, directed by Tom Gibson

President Dennison spoke on the following topics:

1. Transcript project
  - ✓ A collaborative project for a K-College transcript
2. Math and science initiative
  - ✓ Common terminology needed, data problems to be resolved, how to initiate this in Montana
3. Curriculum alignment
  - ✓ A pilot program focusing on the need to align outcomes in each curriculum
4. Education summit to be held in Missoula and sponsored by the Missoula Economic Development Corporation
  - ✓ To be held October 2009 by invitation

Regent Hamilton applauded the collaboration among the Office of Public Instruction, the Office of the Commissioner and the K-College Workgroup.

Workforce Development and Two-Year Education Committee

### INFORMATION

- a. The Governor's Interagency Rapid Response Initiative

Deputy Commissioner Moe explained that a committee comprised of representatives from the Office of the Governor, Department of Labor, Department of Public Health and



## MONTANA UNIVERSITY SYSTEM

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Human Services, Department of Commerce and the Montana University System has been meeting to develop ways to respond to the issue of dislocated workers by pooling resources and expertise.

Pat Wise, Governor's Office, spoke of federal funding to assist with unemployed or dislocated workers, identification of all services available, inter-agency coordination, and shared policies, including work with the reservations.

Keith Kelly, Commissioner of the Department of Labor and Industry said the intent of this committee is to have a rapid response in the case of significant lay-offs in the state. The committee works to balance the demands with available services and resources. He said if the workers are dislocated, they can still receive training at the same time they are receiving unemployment benefits. This coordination will assist in upgrading education skills for displaced workers. Federal stimulus funds will be distributed for those situations meeting the requirements.

Anna Whiting-Sorrell, Director of the Department of Public Health and Human Services, emphasized this is a joint effort to respond quickly to the economic downturn.

Deputy Commissioner Moe added that the university system already has many services and facilities available, such as computer labs, CNC labs, welding and carpentry shops, lecture halls, classrooms, interactive video capabilities and classrooms and resource centers. A list of short-term training available at two-year colleges has been compiled and is posted on the Two-Year Education website.

### b. MOA Update

Deputy Commissioner Moe gave an update on the MOA planning year. Goals for achieving the two-year education vision include: Coordinating Montana's "system" of two-year colleges; promoting two-year education through branding, marketing, communication, affordability and policy initiatives; and extending the two-year college mission to under-served populations and regions. Several projects involving her office and chief academic officers are focused on achieving greater efficiencies throughout the system. One involves common course-numbering in the healthcare and construction fields. Another is the alignment of related instruction requirements in programs preparing students for the same career. Finally, protocols are being developed for dual enrollment that will make opportunities, procedures, and costs more consistent throughout the state.

Commissioner Stearns explained that Montana is providing dual enrollment in many ways throughout the state and, therefore, needs to consider how to make it work better for the students.

Providing high access academic programming in higher education in the Bitterroot Valley has been the focus of committee meetings already held in Hamilton said Deputy Commissioner Moe.

## CONSENT



Policy 209.2 Revision; OCHE ITEM 142-106-R0309 (Reviewed as part of OCHE comprehensive policy review)

Regent Hamilton moved approval of ITEM 142-106-R0309. Motion passed 6-0.

Commissioner Stearns called attention to the remarkable leadership of Native American women in the Board meeting. Specifically, she mentioned Janine Pease, regent, Denise Juneau, Superintendent of Public Instruction, Joyce Silverthorne, Higher Education Policy Advisor in the Office of Public Instruction, Rene' Dubay, OCHE Director of Partnerships for Access, and Ann Whiting Sorrell, Director of the Department of Public Health and Human Services.

### **COMMITTEE REPORTS, DISCUSSION & ACTION**

#### **a. Administrative, Budget, and Audit Oversight**

#### **INFORMATION**

##### Montana University System – Athletic Reports

Frieda Houser, Director of Accounting and Budgeting, OCHE, reminded the Board that both MSU-Bozeman and UM-Missoula receive separate annual audits on their athletic departments and both received clean audit opinions in FY 2008. On the statement of revenues and expenditures by campus, the report shows the collective financial resources committee for athletics is significant. Line 16b shows total revenue of \$37.9 million. Line 36b shows \$36.6 million in expenditures. MUS spending on athletics is approximately 4.1% of the current unrestricted fund and approximately 4.8% of the all funds budget, which is in line with what other educational institutions spend nationally on athletics. The net result of revenue and expenditures results in a 1 year, non-cumulative operating surplus for FY 2008 of \$1.2 million. The remaining 4 campuses reported operating surpluses from all sources. The external funds include contributions made to the foundations and scholarship association that are restricted for specific athletic program purposes such as scholarships.

President Dennison reminded the Board that the Academic Progression Rate (APR) requires that the campus athletes' grades need to be at a specific academic level in order for the program to continue receiving federal funding.

#### **b. Staff and Compensation**

#### **ACTION**

a. OCHE ITEM 142-100-R0309

b. UM-Missoula ITEM 142-1000-R0309

Regent Taylor spoke against approval of items a & b due to the current economic situation facing the MUS and the State of Montana.



Deputy Commissioner Moe spoke in support of the OCHE staff item, noting that the employee has temporarily assumed additional duties for the transfer initiative and both the duties and additional compensation will end on June 30, 2009.

Regent Christian moved approval of items a & b. Motion passed 5-1 with Regent Taylor voting no.

### **CONSENT**

Senior Fellow Emeritus of the Carroll and Nancy Fields O'Connor Center for the Rocky Mountain West: Pat Williams; UM-Missoula ITEM 142-1010-R0309.

Regent Christian moved approval of ITEM 142-1010-R0309. Motion passed 6-0.

### **Research and Technology Transfer**

Governor Brian Schweitzer talked about capping tuition and how families are depending on higher education to deliver quality education. He observed that costs for products and services in other areas were decreasing, and higher education should be able to keep costs down as well. He recognized the main funding sources of the university system as state support, research dollars and tuition.

Governor Schweitzer asked about the role and expenses of research on the campuses as well as the benefit of research activities to the students.

Deputy Commissioner Robinson explained the accounting method for MSU research which was a change recommended by Mr. Robinson. The Board of Regents established the Agricultural Review Task Force in March 2007 to address issues associated with the agriculture experiment stations, the extension service and the inter-relationship with MSU-Bozeman. One of the issues addressed by the task force was the overhead allocation of MSU to those two agencies. The task force determined that it was proper to determine the overhead, but part of the mechanism within MSU-Bozeman was a credit that was provided to the research component of MSU for expenditures they had made in current unrestricted funds. Consequently, every time one of the agencies made an expenditure, they were given a credit by MSU-Bozeman in current unrestricted funds. The task force and OCHE agreed an accounting change needed to be made in overhead charges, beginning in FY08, the accounting changes resulted in the movement of those expenditures into the current unrestricted fund under the research category. The credit overhead allocation that was properly allocated to the research activities was then paid by the research activities in the current unrestricted, resulting in a netting of zero. This explains the apparent discrepancy in the agencies' accounting for FY07. In looking back to FY09, the expenditures are very close to previous years when the accounting change is implemented.

Discussion followed:

- A fairly small investment in state funds is resulting in a \$270 million research industry for the state.
- If there is no state investment, then Montana will lose some of the



competitiveness.

- Students want to balance tuition costs with quality education.
  - The relative size of state investment is quite small compared to the return on the research.
  - Indirect cost recoveries associated with research projects done on the campuses can be used by that campus to invest in the research enterprise.
  - The campuses are not diverting tuition or general funds for the academic programs into the research programs.
  - Research is important and beneficial for the students, the campuses and the state.
  - Investment in education at all levels is needed to help solve the current economic crisis.
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- Overview of Policy Process: Comments from Chairman Barrett
  - Inquiries Regarding Federal Research
    - Inquiries from Regents and Responses
    - Inquiries from Governor's Office and Responses
  - Annual Reports
    - MSU (with link)
    - UM (link)
    - UM – MT TECH (link)
    - Montana University System Science and Technology
    - Advisory Committee
      - ✓ Montana Science Serving Montana Citizens
      - ✓ Call for Pre-proposals for EPSCoR
  - Revised Policy 401, Research and Technology Transfer ITEM 142-108-R0309 (Reviewed as part of OCHE comprehensive policy review)

Deputy Commissioner Moore explained the proposed revisions to the Research and Technology Transfer Policy 401 would require the federal research applications to be heard at the January Board of Regents meeting, which means that the information would need to arrive at OCHE mid-December. That would allow time for OCHE and the Board to review the information prior to the January Board meeting.

Regent Christian moved approval of the revised Policy 401, ITEM 142-108-R0309. Motion passed 5-0, with Regents Buchanan and Taylor absent.

Commissioner Stearns asked the Board for clarification on questions four, five and six. She explained that those questions went beyond the current data collection system and would require human resources personnel to examine individual payroll and travel records for individual faculty for the years relating to these questions.

Regent Barrett said questions four, five and six will be separated for possible discussion at a later date.





Deputy Commissioner Moore added that it is important to be mindful of the amount of people time and the work load effort that was already spent on answering the questions. It is important to know what information is truly needed. Deputy Commissioner Moore reminded the Board that the campuses provided good reports and with genuine good effort. The research and development enterprise on the campuses is an enormous force for development in the state. Research & development in Illinois is \$142 per capita. Montana's research and development per capita is \$181 and Montana does it for the lowest price. She stated that Montana has much to be proud of in the area of research.

President Dennison told the Board it was important to know what is most relevant in regard to requests from the Governor's education policy advisor.

Tom McCoy, Vice President for Research, Creativity and Technology Transfer, MSU-Bozeman, spoke on the MSU-Bozeman research report. He showed federal initiatives from FY09 and the MSU federal initiatives awarded in the FY09 Omnibus bill. In the information given to the regents, Dr. McCoy provided the MSU requests made for FY10 as well as the summary of the metrics the campus delivered in terms of expenditures and the technology transfer trends at the university. Due to the delay in the passage of the omnibus bill, they have not been able to compile all the data as of yet, but did present highlights in their written reports.

Dan Dwyer, Vice President for Research and Development, UM-Missoula spoke on research oversight and said that every federal agency has an auditing division and makes sure the campuses follow the exact rules. There are many levels and occurrences of oversight:

- Local oversight, which is the campus oversight.
- Office of Research and Sponsored Programs, which reviews every proposal before it is submitted.
- The campus is required to submit a proposal to the federal agency.
- The campus research office reviews all of the proposals prior to the proposal being submitted to assure they meet the campus' own institutional policies, as well as a myriad of federal rules and regulations.
- If an award is made, that office negotiates a contract with the federal agency
- In the contract, there is a Scope of Work defined.
- A budget is submitted detailing how the money will be expended and which is approved by the federal agency.
- There is also a Post Award Monitoring on the campus where they track the expenditures made by the grants on the campus to assure there are no unallowable costs or misspending of the grant money.
- Annual reports are submitted to the federal government on the progress of the projects as well as a financial report on an annual basis.
- At the state level, the legislative auditor office spends a week every year looking through the research and sponsored program grants and contracts to assure there is no misuse of those funds.
- Every federal agency has an auditing division and they often visit the campuses to make sure they are complying with the rules and regulations.



- There are also inspectors general that perform audits and which are associated with all the funding agencies. These are typically lawyers who know the rules and regulations thoroughly.

Doug Abbott, Vice Chancellor for Academic Affairs and Research, MT Tech, reported that they that have faculty that are investigators or co-investigators. MT Tech uses four metrics to gauge their success in research projects:

1. The number of awards
2. The expenditures
3. The success rate in grant submissions and
4. The number of faculty that are actively involved in research

Regent Hamilton stated she wanted to let the record show that question #5 which was covered quite extensively in the press implied that perhaps the commissioner’s office was out of compliance with board policy. She stated that she had gone back and checked the records and did not think the records reflect that anything improper occurred or that the regents were out of compliance with board policy. The regents were informed at the March meeting that they would be receiving some changes to the policy in question and were informed again at two subsequent meetings perhaps as late as this past November, that they would be receiving a number of policy changes and that this policy change would be among them. Regent Hamilton asked for the Board’s opinion as to whether it was comfortable operating outside of policy on a matter such as this, where the Board has been informed of the policy, the reason for the breadth and the plans for revision of the policy. She stated that she was comfortable with how the research reports had been handled in the past. She noted that she is comfortable accommodating reasonable information requests from the governor, but she did not believe it is productive to try to embarrass the commissioner’s office when the Board has been informed. Regent Hamilton added that the Board has a responsibility to communicate with the commissioner when they are concerned about compliance with policy.

Meeting adjourned at 2:40 PM.

**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

\_\_\_\_\_  
Stephen Barrett  
Chair, Board of Regents