



Montana Board of Regents

Conference Call Meeting

August 6, 2012

10:00 – 11:30 AM

Monday, August 6, 2012

Meeting opened at 10:10 AM.

Roll call indicated a quorum present.

Regents Present:, Angela McLean, Chair, Major Robinson, Vice Chair, Todd Buchanan, Paul Tuss, Pat Williams, Jeff Krauss, and Joe Thiel all by phone. Commissioner of Higher Education Clayton Christian, *ex officio*, participated by phone. Governor Brian Schweitzer, *ex officio*, was represented by Nate Thomas, and Superintendent Denise Juneau *ex officio* was excused.

Sites represented by phone were: Office of the Commissioner of Higher Education (OCHE), MSU-Bozeman, MSU-Billings, MSU-Northern, MSU-Great Falls COT, UM-Missoula, UM-Western, Helena College University of Montana, Flathead Valley Community College, and the Office of the Governor.

CONSENT

- a. Professor Emeritus of Business Administration: Seninger; UM–Missoula *ITEM 156-1001-C0812*
- b. Professor Emeritus of Economics: Unger; UM–Missoula *ITEM 156-1002-C0812*

Regent Robinson moved approval of the consent agenda items a-b. Motion passed 7-0.

ACTION

- a. Authorization to Issue Series O 2012 Refunding Revenue Bonds; MSU-Bozeman *ITEM 156-2005-C0812*

Terry Leist, MSU-Bozeman Vice President Administration and Finance, explained that this item requests authority to issue the above referenced bonds. Due to the low interest environment, MSU decided it would be beneficial for the campus to propose a taxable refunding of a portion of its outstanding bonds.

Regent Pat Williams moved approval of item 156-2005-C0812. Motion approved 7-0.

- b. Student Residency Appeal



Chair Angela McLean reminded members that they cannot discuss the issues or the student's name today. If a board member wishes to hear the appeal, he will need to make a motion to that effect. If that motion would not pass, then the commissioner's decision stands.

Commissioner Christian noted that if the board chooses to hear the appeal, the appeal would not be heard today, but rather would be heard in an executive session at a later meeting. He clarified that there are no ramifications to this particular student in terms of seeking in-state status again at a later date. This is upholding current policy to this student and has no affect on future students and no change in status for anyone else in the pipeline.

No motion was made to hear the appeal; therefore, the Commissioner's decision on the appeal will stand.

INFORMATION

a. Energy Conservation Projects; UM-Missoula

Bob Duringer, UM Vice President for Administration and Finance, noted that this will be an action item at the September 2012 board meeting. UM wants to do upgrades to make sure all systems are functioning correctly and efficiently and will, therefore, request authority to enter into an Energy Performance Contract (EPC) to implement modifications to the University Center. He clarified that this project would not be financed, but rather paid for from existing funds. Following the energy audit, a performance contract will be issued to bundle the multiple energy recommendations into a single project. He noted that energy savings will subsidize those projects with longer paybacks. Mr. Duringer clarified that following the energy audit, it is expected McKinstry will also be the contractor guiding the actual construction and that the revenue generated for McKinstry is a result of taking a certain percentage of the energy savings.

b. Level I Memorandum

Deputy Commissioner Sylvia Moore explained that this is on the agenda because of a moratorium that is going out to the students. She noted there will be a follow-up regarding the moratorium at a future board meeting.

c. Level II Memorandum

In response to the recommendation of the Board of Regents, the Commissioner, and the Presidents of MSU and UM, OCHE engaged staff from the Research Competitiveness Program at the American Academy for the Advancement of Science (AAAS) to conduct a review of the proposed PhD in Materials Science. The AAAS review was led Dr. Stephen Nelson, Senior Advisor on Science and Technology Policy and included three independent review panel members: Dr. Kristen Constant, Chair of the Department of Materials Science and Engineering at Iowa State University; Dr. Suzanne Trager Ortega, Senior Vice President for Academic Affairs at the University of



North Carolina System; and Dr. Anil Virkar, Professor Emeritus in Materials Science at the University of Utah.

The AAAS Review Team began their on-site visit in Missoula on Sunday, July 29th and traveled with Deputy Commissioner Sylvia Moore to all three campuses cooperating on the proposal. The team provided a one-hour exit interview with the campus provosts (or their representatives) on Wednesday, August 1st. They acknowledged and commended the participation and enthusiasm displayed by faculty members, department heads, deans, and administrators at all three campuses. The team also was impressed by current collaborative research efforts in materials science and by our extensive (and shared) research facilities.

OCHE will receive a full written report from AAAS by the end of August, but the team indicated that they could envision a joint program across the three campuses that built on the unique strengths and resources that each campus has to offer. The team suggested that there should be much more detail in the proposal on both available and needed resources; proposed administrative management; and expected return on investment. The team noted that materials science is an important and strong field nationwide that could be important to Montana as a state. The AAAS team felt it important that the degree be viewed as an asset to the system and not merely an aggregation of resources; a degree with three partnering institutions as opposed to merely participating campuses.

Dr. Moore noted that the Chief Academic Officers, at their conference call meeting on July 11th, expressed willingness to be flexible about the evolutionary nature of this joint proposal in order to allow incorporation of the suggestions from the AAAS review. The AAAS report and the revised proposal will be shared as quickly as possible. Also, Dr. Moore will provide the history of the development of this proposal from 2010 to 2012, noting especially when cross-campus discussions began.

Regent Joe Thiel requested additional information from MT Tech pertaining to the processes involved in the collaborative PhD program and what has been done so far prior to the board making a decision.

Regent Todd Buchanan noted that as chair of the ARSA committee, he requested that the board divide the two components in the collaborative PhD program and to have a separate discussion on whether or not to authorize MT Tech to grant PhD programs. The decision made in that discussion will determine whether the approval for the collaborative PhD program consists of MT Tech being a participant or a granter of the degree.

Chancellor Donald Blacketter, MT Tech, said he thought that what was being voted on would be the granting authority of PhD programs to MT Tech. Regent Buchanan said that was not his understanding; he noted that the board has not reached the point yet in discussions where they are willing to grant approval for MT Tech to have the authority to grant a PhD program; but rather for MT Tech to be a collaborative participant and not a provider of the PhD. Regent Buchanan clarified that the board has not yet decided on whether or not to allow MT Tech to grant PhD's.



President Royce Engstrom noted that if the board was not ready to approve degree granting authority in September, then that portion should be separated out of the proposal.

The board and commissioner requested a comprehensive business plan, including detailed expected costs, from MT Tech prior to discussing this at the September board meeting.

Commissioner Christian agreed with Regent Buchanan. He noted that this will need to go through the academic committee, of which Regent Buchanan is the chair. Commissioner Christian said there needs to be an appropriate amount of discussion with the board and noted that the board first needs to discuss whether or not MT Tech is to be a PhD granting campus.

Regent Jeff Krauss requested additional information from MT Tech before proceeding. He noted appreciation for the collaboration on this degree, but stressed that the decision on whether to have a 3rd PhD degree granting campus at MT Tech is a totally different discussion than voting on whether to offer the degree itself. He stressed concern regarding if MT Tech gets authorized to grant PhD's, must all the campuses be allowed to grant the PhD's?

Regent Buchanan suggested that the board delay the discussion on MT Tech granting PhD program to allow time for MT Tech to provide adequate information first, as requested at a previous meeting and this meeting, the board to then thoroughly review the information, prior to deciding whether or not to authorize MT Tech to grant a PhD.

Commissioner Christian agreed that both discussions need to be held, while still moving forward with the actual program. He said MT Tech will need to provide the requested information before possibly scheduling a discussion at the September Board of Regents meeting. If there is not adequate information yet at that point, the discussion will need to take place at a future meeting.

Regent Buchanan will follow up with Deputy Commissioner Moore and the ARSA committee board members.

Regent Krauss requested a summary of past discussions pertaining to this. Deputy Commissioner Moore will provide the summary information to the board.

Deputy Commissioner Moore clarified that it is imperative for the three campuses to collaborate on this particular degree.

Regent Pat Williams requested detailed information from MT Tech regarding increased revenues or increased costs to an individual institution when granting doctoral degrees, and projected revenue from additional tuition.

DISCUSSION

Prioritization for New Proposal Initiatives



Commissioner Christian noted the purpose of the prioritization list related to the development of the executive budget process and preparation for the legislative session. He noted the importance of the board's awareness of the priorities and having the appropriate information for the board's fiduciary responsibilities. Useful ratios and metrics have been developed to help the board understand the budgets better as well as allowing the board to see trends that have occurred. Commissioner Christian noted that the board needs to know how the details fit into the overall structure.

Regent Williams requested that the board be made aware of the details and ramifications of the budgets. Commissioner Christian replied that due to the complexity of the budgets, it is difficult to understand all of the details and recommended that the board instead focus on the needed details and to ultimately hold the campus CEO's responsible for maintaining their budgets and for meeting the objectives that have been set by the board.

Chair McLean noted that the legislative initiatives need to be entered in the state's MBAR program in the near future; therefore, the board needs to prioritize and rank the new proposals today. This will allow the board, commissioner's office, and campuses to have a focused effort in advocating for the university system.

Regent Robinson recommended moving the priority list forward in the order presented on the agenda and requested continued emphasis on the importance of faculty and staff recruitment and retention issues, while recognizing that will be a separate legislative issue.

Commissioner Christian reminded the board of the discussion at the May board meeting in which the board agreed on the need for present law adjustments as well as the importance of having an adequate pay plan for the MUS as well as the State, which will all be included in HB 13. He noted the need to prioritize the remaining initiatives as new proposals for the executive budget process to proceed.

Regent Buchanan noted that he will plan on having a discussion about expanding slots in the WWAMI program at the September board meeting.

Regent Robinson moved approval of the Prioritization for New Proposals Initiatives list. Motion passed 4-0, with Regent Krauss abstaining from the vote and Regents Thiel and Buchanan leaving the call prior to this vote.

Public Comment

- Jeff Renz, UM, MUSFAR (Montana University System Faculty Association Representative), requested keeping the pay plan as a top priority.

The meeting adjourned at 11:30 AM.

Approved by the Board of Regents on



MONTANA UNIVERSITY SYSTEM

Date

Date

Clayton T. Christian
Commissioner of Higher Education
and Secretary to the Board of Regents

Angela McLean
Chair, Board of Regents