

MINUTES OF THE BOARD OF REGENTS
OF HIGHER EDUCATION
MONTANA UNIVERSITY SYSTEM

DATE: October 24-25, 1985

LOCATION: Ballrooms C and D
Strand Union Building
Montana State University
Bozeman, Montana

REGENTS PRESENT: Morrison, Hurwitz, McCarthy, Paoli, Redlin, Lind,
Scully

REGENTS ABSENT: None

PRESIDENTS PRESENT: Carpenter, Merwin, Dayton, Treadway
VP Habbe attending for President Bucklew
VP Knapp attending for President Tietz

PRESIDENTS ABSENT: Thursday, October 24: Bucklew, Tietz
Friday, October 25: Tietz

Minutes of Thursday, October 24, 1985

Chairman Morrison called the meeting to order at 2:45 p.m., following the Regents' participation and attendance at the Montana Associated Students Legislative Conference.

Acting President Irving Dayton reviewed Montana College of Mineral Science and Technology's Academic Planning Statement (on file) which was sent to the Regents with the agenda material. Dr. Dayton reviewed the recommended changes to the June 26, 1984 Planning Statement. Those changes are set out in the Update to the Institutional Academic Planning Statement dated October 9, 1985, and include withdrawal of the B.S. in Employee Health, Recreation and Fitness

October 24-25, 1985

because of the addition of an option in Applied Health Science to the bachelor's degree in Society and Technology; delay of the B.S. in Engineering Physics; continuation of the proposal of two master's degrees; and continued faculty analysis of possible doctoral programs.

Dr. Dayton spent some time reviewing the proposal contained in the October 9 memorandum that a B.S. in Geology be authorized at Montana Tech, and responded to Regents' questions.

Next President Treadway, Western Montana College, reviewed Western's Academic Planning Report (on file). He prefaced the review by speaking of his appreciation for the support Western has received from the Board, the Commissioner's office, and the other units of the System. Dr. Treadway commented briefly on Western's past service to rural education, but noted that 50 schools in the United States are at high risk for closure by the Department of Education, and Western has the dubious honor to be on that list. Western's efforts to reach the Board's goal of 1,000 students enrolled were explained, and the \$1 million-plus federal grant received by Western was reviewed. President Treadway stated he believed the enrollment level at Western should be 1,500 students because there is both staff and physical plant (except the student union building) to support that number. He mentioned plans are underway to meet with the presidents and academic vice presidents of the other units to explore ideas of mutual benefit. He asked the continued support of the Regents and the Commissioner as exploration is made in these areas.

President Treadway then reviewed the section in Western's Academic Planning Report that contained specific academic plans, 1985-1990, beginning on page 5, and responded to Regents' questions.

At the conclusion of the review, Acting Commissioner Krause commented on the proposal to develop options in Business Administration (number 12, page 7). He cited the

October 24-25, 1985

high cost of faculty in that field and other reasons which might weigh against development of that option. Joint facilities that might be explored by Tech and Western were also discussed.

At the conclusion of the two presentations, Dr. Krause noted UM will present its academic planning statement tomorrow, and the remaining three units will present their statements at the December meeting. It is his intention to present written recommendations on the units' academic planning statements to the Board possibly at the January meeting, but no later than the February 1986 meeting. He explained discussion of these plans has been delayed for some time, and there is a need to move forward as quickly as possible. Regent Scully questioned that format, noting the Management Study Committee will be working on preparation for the 1987 legislature. He planned to meet with the presidents at their December meeting. More time may be needed by the study committee to consider the process before specific recommendations are made. Dr. Krause responded he did not believe receiving written recommendations on the units' academic plans would infringe on the areas to be covered by the study committee.

Regent Redlin stated it was her understanding the management subcommittee would not include the area of academics or curriculum without the participation of the full Board. She asked Regent Scully if that was the intent of the subcommittee. Regent Scully responded he did not believe it would be appropriate to state at this time that the subcommittee would not include those areas. He wanted an opportunity to meet with the presidents before he felt he could respond. Chairman Morrison noted he had no problem with the management subcommittee exploring various areas. However, once the scope of the study is determined, and before any recommendations are made, the full Board will expect to participate. He cautioned against appearing to limit the subcommittee, noting that both

October 24-25, 1985

in preparation for the legislature and in questions of accountability raised by the public, the System has to be willing to explore new ideas.

Acting Commissioner Krause stated there was "nothing magic" about presenting recommendations on the academic plans in January or February, but certainly they should be received by the Board so that action can be taken on the plans no later than in the spring of 1986. The Board can expect a flood of recommendations from the units because action on academic planning has been held in abeyance for such a long time awaiting conclusion of the role and scope review and other matters. President Carpenter stated what the units hope to achieve from the academic planning process is a direction -- that a possibility exists or does not exist for a particular campus. The units need direction, or permission, to proceed on matters that would come to the Board in the normal course of events. These should be prepared for the Board's consideration in the belief they are proceeding in the direction the Board wishes a particular campus to follow.

The Board recessed for five minutes, and reconvened in executive session. The Board is scheduled to reconvene in open meeting at 8:30 a.m. on Friday, October 25, 1985 in Ballroom C of the Strand Union Building, Montana State University.

Minutes of Friday, October 25, 1985

Chairman Morrison called the meeting to order at 8:45 a.m. in Ballroom C of the Strand Union Building, Montana State University. Roll call was taken and it was determined a quorum was present.

President Bucklew, University of Montana, presented the University's update on the June 1984 Developmental Plans, Academic Programs memorandum (on file). He noted that in the 1984 submission 18 academic programs or organizational

October 24-25, 1985

changes were presented. Since that time legislative stringencies on the operating budget and enrollment declines have caused the University to continue to develop and focus its internal campus planning process. This has been reported on regularly to the Board. President Bucklew reviewed the set of criteria issued in March of 1984 as part of a strategic planning report which he believed should apply to new program development at UM, and throughout the System. Those are: (1) areas of special competence within the mission of the campus, (2) appropriate and logical development (3) clearly defined, on-going need, (4) relies in large part on current resources with limited use of new resources (5) does not duplicate programs in System, unless there is sound academic reason (6) strong expression of student interest (7) quality of program, and (8) strong budget justification. Based on those criteria, and as more fully set out in the appendix of the memorandum to the Board dated October 17, 1985 (on file), President Bucklew reviewed and elaborated on the University's commitment to implement three academic programs, (MA, International Relations; MS, Physical Therapy; MA, Related Arts); the Institute for Immunology, and one organizational change (University College).

Chairman Morrison called for additions or corrections to the minutes of the previous meetings. None were stated, and the minutes of the following meetings were ordered approved:

September 12-13, 1985 Meeting
September 24, 1985 Conference Call Meeting
October 9, 1985 Conference Call Meeting
October 21, 1985 Conference Call Meeting

October 24-25, 1985

By-Laws and Policy Committee

Submission Agenda:

Item 10-501-R0975, Role of the Montana Bureau of Mines and Geology, (To Be Rescinded), was received for consideration at a future meeting as submitted by Montana Tech. The explanation for rescinding the policy, or revising it as it relates to the Bureau's Advisory Committee, is set out on the memorandum to the Regents and the Commissioner from Acting President Dayton dated October 9, 1985 (on file).

Action Agenda

Item 49-001-R0985, Civic Duty Leave; Montana University System, was reviewed by Regent Scully. He stated the policy resulted from his personal contact with a local school district who had two employees of the System on the local school board. One was a professor, and one was not. The employee who was not a professor was required to take annual or compensatory leave to attend meetings of the local board, while the professor was not required to do so. The proposed policy is intended to correct an apparent inequity. Regent Scully stated he did not believe the policy would affect any other entity except local school boards because of restrictions in the policy, nor did he believe it would open the door to a large number of similar requests. Without the policy, the System allows some members of the higher education organization to participate freely in local school boards, while others have to pay. Regent Scully moved the policy be approved. The motion carried, with Regent McCarthy voting no.

Item 49-201-R1085, Authorization for Montana State University to Change the Name and Charter of the Montana University Joint Water Resources Center was reviewed. The proposed new charter was attached to the item. It was explained the purpose of the change is to make the Center more responsive to federal requirements and state needs, and to simplify

October 24-25, 1985

administration procedures of the Center. After brief discussion, it was agreed the proposed charter should be amended on page 2, under "Associate Directors". The last sentence of that paragraph was amended as follows: "Associate Directors shall be responsible to the Director and to the Vice President for Research at the University of Montana and the Director of Research at Montana College of Mineral Science and Technology respectively. On motion of Regent McCarthy, the item was approved as amended.

Curriculum Committee

Submission Agenda (Addition to Agenda)

Copies of Item 49-203-R1085, Authorization to grant the degree of Bachelor of Arts in Interior Design; Montana State University were distributed to the Academic Vice Presidents, Presidents, and Regents. The item was received for consideration at a future meeting.

Action Agenda

Item 49-007-R1085, Baccalaureate Programs - Mountain States Baptist College was reviewed by Acting Commissioner Krause. State law requires Regent approval of degrees offered in the state of Montana. Dr. Krause reviewed the steps taken by the College to obtain licensure. In addition, Dr. Krause made a site visit to the college and recommended changes to the curriculum which the college adopted. The baccalaureate would include majors in Bible and Pastoral Studies, Biblical Studies, Bible and Missions, and Bible and Christian Education. Dr. Krause recommended approval. On motion of Regent Redlin, the item was approved with Regent Scully voting no.

Item 46-2001-R0685, Associate of Applied Science Degree in Business Management; Dawson Community College, was reviewed by Bill Lannan. Bob Schall, Dean of Instruction at DCC, was also present to respond to questions. Mr. Lannan reviewed the information on the item contained in his October 10, 1985 memorandum to Dr. Krause. The degree will be a two-

October 24-25, 1985

year terminal program to prepare students for business occupations with an emphasis on retail, wholesale and service business. The degree was previously offered at DCC, but was withdrawn. The college would now like reinstatement of the degree. No additional resources will be necessary. Mr. Schall responded to Regents' questions, particularly with respect to transferrability of credits. On motion of Regent Redlin, the item was approved with Regent Scully voting no.

Capital Construction Committee

Item 49-101-R1085, Resolution Authorizing the Granting of Right of Way Easements for a Logging Road over University of Montana Property to the United States of America and Authorizing the President of the University of Montana to Execute all Documents Necessary to Effect the Grants; University of Montana, was reviewed by President Bucklew. The item corrects errors in three previously recorded right-of-way easements, and adds an additional one acre not covered in the original grant. President Bucklew stated this clarifies previous transactions, and has been reviewed by the Dean of the School of Forestry and by Lubrecht personnel. On motion of Regent Hurwitz, the item was approved.

Craig Roloff, Acting Director of Administrative Services, Montana State University, presented a summary report of a proposed wood pellet boiler retrofit at MSU (on file), an addition to the agenda. With this conversion, it is estimated the campus heating budget could be reduced by approximately 13.68%. Mr. Roloff reviewed other aspects of the report, including source of the new heating material, modification of existing equipment, a necessary addition to the heating plant building. and creation of an auxiliary service to operate the heating plant. The spread sheet attached to the report illustrating projections regarding finance and heating costs and potential net cost reduction funds was discussed. In addition, Mr. Roloff requested authorization to contact the Legislature's

October 24-25, 1985

Interim Finance Committee to request making a presentation on the proposal to that group.

Mr. Roloff responded to Regents' questions on the project concerning continued availability of the wood pellets, pollutant factors, conversion costs, square footage heated by the proposed project, and past experience with cost savings projects which resulted in reductions in general fund. Regents stated no objections to the proposal being presented to the Interim Finance Committee.

President Bucklew stated that UM was also interested in changing to a wood pellet steam-generated heating system. He referenced a study recently completed at the University of Montana which indicated the costs of conversion would be much higher. He applauded the efforts of MSU in developing the report, and expressed his continued interest in such a project at UM if it is economically feasible.

Collective Bargaining Committee

On motion of Regent Lind, the Memorandum of Understanding with Northern Montana College Federation of Teachers was approved.

Regent Lind stated there was an addition to the agenda of the Collective Bargaining Committee agenda on which action is requested. The International Union of Operating Engineers have ratified a tentative agreement with the University System. Regent Lind moved the tentative agreement be approved. The motion carried.

Budget Committee

Dr. Krause stated that Item 49-002-R0985, Student Participation in Mandatory Fee Decisions; Montana University System, (REVISED) has been under discussion for some months. It was initiated by students to assure student access to the Board in discussions of changes in certain mandatory student fees. Section 3 under "Procedures" was revised to conform with discussion at the last Regents' meeting regarding Regent review

October 24-25, 1985

of information presented by associated student governments. The item has been through the Council of Presidents, and it is believed the students and the Council of Presidents support the policy before the Board.

Mike Mortier, President, Montana Associated Students, spoke in support of the revised policy.

In response to questions of Regent Paoli regarding the prefatory paragraph, Dr. Krause noted any time a fee is under discussion which would affect all students on a campus or one assessed equally to students across the System, this policy will prevail.

On motion of Regent Paoli, Item 49-002-R0985 was approved.

Item 49-003-R0985, Constitution and Operation of Associated Student Organizations; Montana University System, was reviewed by Dr. Krause and Mr. Noble. The policy is an attempt to respond to questions of student organizations liability raised by the Legislative Auditor. Mr. Noble reviewed the background of attempts to resolve the issue through the purchase of liability insurance and other methods, all of which have been unsuccessful. All parties acknowledge it would be very difficult to totally clarify all aspects of student organization liability because the groups involved are so varied. There is agreement among the attorney for the Legislative Auditor, the state Insurance Division, the System and the students that a policy like the one before the board is probably the best that can be devised. The state will, however, continue to decide issues of liability on a case-by-case basis.

It was noted a student media problem brought the liability issue to the attention of the Legislative Auditor. Some years ago, the Kaimin was sued for slander. The state did not acknowledge liability, but settled the matter for \$10,000. Last year the System was faced with the possibility of a

October 24-25, 1985

similar suit because of a student media action.

Mike Mortier, President, Montana Associated Students, spoke in support of the policy before the Board, but noted there are questions on Section D which states the publications board will "set policy for the media." Mr. Mortier stated his belief this is not an attempt to censor, and that a board such as the one created in this policy needs to exist and does in fact exist at Montana State University. Because of the concern expressed of the fragility of First Amendment rights, he suggested amendatory language.

Charles Hood, Dean of the School of Journalism, University of Montana, spoke in opposition to the policy. While recognizing the Board's concern with the liability issue, Dean Hood felt the proposal as it related to student publications would have the opposite effect. He presented case law from the Student Press Law Center Report in support of that argument (on file). Dean Hood added he believed the best way to insure journalistic responsibility in student media is to appoint faculty advisers who have the credentials to give the advice that needs to be given, which UM has done with the appointment of Ms. Van Valkenburg. He stated no policy will prevent an occasionally libelous statement, and admitted there have been some problems with student media in the past, and probably will be again in the future.

Ms. Van Valkenburg, Visiting Assistant Professor and Kaimin Advisor, also spoke in opposition to the portion of the policy relating to student media, referencing the joint letter she and Dean Hood sent to the Regents dated October 16, 1985 (on file). Ms. Van Valkenburg spoke at length of her belief that it would be best if the Board did not involve itself in any type of control of the student media. Ms. Van Valkenburg distributed copies of a revision of the student liability policy which, in her view, would be acceptable if the Board felt doing nothing was unacceptable.

October 24-25, 1985

Ms. Van Valkenburg and Dean Hood responded to Regents' questions concerning accountability for student media and how it is perceived, and whether a journalistic code of ethics exists. Ms. Van Valkenburg stated there is no one code; you encourage journalists to adhere to a code but it isn't one that is set. That would be saying you "must or must not", and that infringes on freedom of the press. "Freedom of the press is the right to be irresponsible", and that is a very difficult concept to accept. There are sets of standards taught to journalists which are very specific as to the ethical way to pursue a story, for instance. It is important, however, that each publication set its own standards.

Regent Lind stated in the "real world" there is a publisher with ultimate responsibility and it seems it should be the same on a college campus. He asked Dean Hood if in his view there is a difference in a university setting. Dean Hood responded there is a difference, and the cases cited earlier indicate the courts agree. Publication boards tend not to be very experienced in newspaper management in a university setting, and are not likely to be as directly involved in day-to-day operations so when they do intervene it would be more likely to be in an unhappy way. Each year the publications board of the student media chooses an editor who has journalistic qualifications. The courts have said the editor in this case is the one who should be protected in terms of First Amendment rights. In the real world no one questions the publisher. He can censor. He owns it. He has the right to fire the editor and bring in someone else. Because of the special setting on a campus where the free exchange of ideas is so important, it is not the same.

Regent Lind stated when an article is printed in a student newspaper which is inflammatory, everyone is upset but there is no one who is accountable. How can that be corrected?

October 24-25, 1985

Dean Hood responded there isn't any way beyond the libel remedy. There is no way you can stop someone before they do something that is irresponsible. Regent Lind asked about accountability after the fact. Dean Hood replied if the editor has consistently behaved in an inappropriate manner, the publications board can fire him. ASUM by-laws on the publications board have a provision to fire an editor. It hasn't been done, but it can be. If someone is angry about a statement in the student media, they can now contact Ms. Van Valkenburg, who is a member of the publications board. That makes the board more able to focus criticisms to a professional who can say "in my view that is irresponsible". There is more opportunity to exert pressure for good on student newspapers.

Regent Scully stated he would be willing to accept the amendments presented by Dean Hood and Ms. Van Valkenburg, but could also see the frustrations of people who are targets of student media. The policy was not intended to exercise the control Dean Hood and Ms. Van Valkenburg fear it is going to exercise. Regent Scully added he could not accept "doing nothing". The student organization liability issue was what this policy was intended to address.

Regent Redlin noted the issue is still liability coverage in either instance. She asked Mr. Noble if it is establishment of the publication board or the duties of the board which will address that problem. Mr. Noble responded clarification of liability is the issue. This item was not drafted to escape liability. ASUM is funded by state money according to the Attorney General's opinion, which has been discussed at some length previously on this issue. Ms. Van Valkenburg is a state employee. There are strong reasons to believe the System is probably liable if a problem occurs, and this policy acknowledges that. Creation of a publications board probably minimizes the risk should there be a slanderous

October 24-25, 1985

situation. The state has been viewed as the "deep pocket" in the past, and will continue to be. If the System had wanted to escape liability it would have to put the student media out on its own and not fund it with state money. Mr. Noble stated he had no problem with the changes suggested by Dean Hood and Ms. Van Valkenburg.

Regent Lind stated as a result of this discussion he would suggest that in order to accommodate the various interests the Board utilize the proposed revision of the policy submitted, but amend number 5 by deleting the sentence regarding the boards' responsibilities, and the enumerations of those responsibilities contained in a, b, and c. This would leave to the individual campuses to determine what they feel is applicable, and preserve the right of the Kaimin and the Journalism School to exercise First Amendment rights.

President Carpenter spoke to the concern of the smaller units of the System that do not have Schools of Journalism. The revision states "Each board shall include a faculty adviser." There is no provision to allow an administrator to serve as adviser. Many of the smaller units have no faculty trained in journalism, but do have qualified administrators to serve in that capacity.

After discussion of President Carpenter's concern, Regent Lind moved his motion be amended as follows and approved as amended:

That the item before the Board for action is the substitute item presented by Dean Hood and Ms. Van Valkenburg titled Item 49-003-R0985, Administrative Policy; Associated Student Organizations and Officers; Montana University System.

That section 5 of the item be amended in line 3 by inserting "and charge" following "composition", and by deleting the final sentence of section 5 regarding the faculty adviser and everything thereafter. The motion carried.

October 24-25, 1985

Jack Noble reviewed Item 49-204-R1085, Bond Resolution; Montana State University, an addition to the agenda. He explained the resolution authorizes the issuance and sale of Facilities Improvement Revenue Bonds, Series B 1985, to provide funds to finance various costs of additional facilities for the Museum of the Rockies in an aggregate principal amount not to exceed \$7,000,000. The issuance of these bonds has been discussed in previous meetings. Final authorization and approval of the issuance and sale of the Series B 1985 Bonds will be brought to the Board in the form of an additional resolution after determination of the final interest rates and principal amounts of the issue. On motion of Regent Hurwitz, the item was approved.

Chairman Morrison stated without objection the Board would move to New Business on the agenda, and the appeal of the Commissioner's decision in the residency appeal of Maureen McCormack would be heard.

It was determined Ms. McCormack was not present, but her attorney, Dale E. Reagor was present to speak in her behalf. Her father, Michael McCormack, was also present.

Chief Counsel LeRoy Schramm made introductory remarks concerning Ms. McCormack's appeal of the decision denying her classification as an in-state student for purposes of certification under the WICHE and WAMI programs. He explained Ms. McCormack had asked her name go forward to the Western Interstate Commission for Higher Education (WICHE) certified as a Montana resident. From that list, medical schools participating in the program select candidates for their medical programs. Most Montana residents certified by the WICHE Certifying Officer have found money available for their medical education. In the last legislative session the amount appropriated to that program was cut, and it appears there will be more applicants for those slots than there is

October 24-25, 1985

money. For every WICHE applicant who receives certification and funding through the program, some other applicant is probably not going to receive funding. The state contributes \$22,000 to each successful applicant for each year of a four-year program. Ms. McCormack was denied in-state status because she was taken as a tax exemption by her parents on their 1984 tax return and is financially dependent upon them. As a result a presumption arises that her residency is that of her parents.

Dale E. Reagor, attorney for the appellant, reviewed the facts, argument, and conclusion set out in his memorandum to the Board (on file). At the conclusion of his review, Mr. Reagor stated since residency status was denied principally because Ms. McCormack was taken as a tax exemption by her parents on their 1984 tax return, he would offer a compromise. Mr. McCormack would file an amended 1984 tax return and not claim his daughter as a dependent in exchange for approval of her appeal and Ms. McCormack being granted in-state status. Mr. Reagor stated if the appeal is denied, he would expect that decision would be appealed. He believed a court of law would find it hard to justify denying residency to Ms. McCormack. He asked the Board's careful consideration of the material presented today which provided the Board with an opportunity to correct an injustice.

Chairman Morrison questioned if Ms. McCormack was still dependent on her parents, and was told she was. He noted we are near the end of another tax year, and asked when Ms. McCormack would be eligible to be classified as in-state under the residency policy. Dr. Schramm responded if the tax exemption was the only factor, she could be so classified as of January 1, 1986, but he did not believe that was the only factor. Regent Scully asked several questions relating to Ms. McCormack's residence during the time in question, and was told she worked in eastern Montana during the summer of her junior

October 24-25, 1985

year and in a biology program at the University of Nevada in Las Vegas during the summer of 1985 during which time she resided with her parents. That program was in conjunction with a thesis for her degree program at Carroll College, and is not available in Montana. Ms. McCormack retained her apartment in Helena during these periods. She licensed her automobile, which is registered in her father's name as well as her own, in Montana in January 1984, but did not obtain a Montana driver's license until October of 1984.

Regent Scully stated he wished to make clear he did not think this is the kind of case for which the WICHE program was established wherein an out-of-state student can establish residency and occupy a medical school slot funded by Montana taxpayers. If that is the situation then all any out-of-state student would have to do is buy a car, license it, and go to school in Montana for a 12-month period. Without the intent evidenced by the tax returns and the relationship with the family, what can the System use to determine residency requirements in instances such as this one?

Mr. Reagor responded his position, and that of his client, was in order to qualify for the WICHE program you have to establish residency, and it is a matter of intent of the individual, not the intent of another adult or the parents. Their actions should not prejudice Ms. McCormack's intentions to be a resident of the state of Montana. Residency is established by evidences of intent.

Dr. Schramm stated it was important to note that while the Commissioner's decision only specified the tax return as the reason for the denial, if the Board of Regents chose to uphold that decision it need not rely only on the tax exemption as grounds for denial. Equally important is the fact that Ms. McCormack is still receiving over 50% of her support from her

October 24-25, 1985

parents. Dr. Schramm stated he also believed the fact that Ms. McCormack went out of the state for three months this past summer was persuasive in that where she went was back to her parents' home, whether in conjunction with getting credits for her degree program or not. He believed that stands in the way of her overcoming her presumption. Dr. Schramm stated while it is possible no single thing could be construed as being persuasive, the Board should rely on the cumulation of things, which are persuasive. Ms. McCormack's father's letter states he called the Commissioner's office in the spring of 1983 and was told four to five things to do in order to establish residency. The letter says he asked for application forms. When these application and certification forms are sent, the System's residency policy is routinely included. In 1983 he probably received a copy of the old residency policy which was more strict with respect to the effect of taking a child as a tax exemption than is the newer policy. Ms. McCormack's car is registered in the name of the father as well as her own. No driver's license was obtained by Ms. McCormack until eighteen months after she moved to Montana. The things the father was told to do in 1983 to establish residency were not done in any great rush. If Ms. McCormack qualifies for in-state residency and certification for the WICHE program there is virtually no student going to school in this state who could not qualify.

Dr. Schramm noted if the Board rules to uphold the denial of this appeal, those reasons for doing so should be reflected in the minutes. He stated he believed the Board could rely on broader grounds than the tax exemption for the denial, and would recommend they do so.

Mr. Reagor was given the opportunity to rebut the factors made by Dr. Schramm. He stated in the summer of 1985 Ms. McCormack had the opportunity to satisfy requirements of

October 24-25, 1985

her degree in the city in which her parents lived, but that was no indication she was changing residency. As to the timing of the additional acts, under the residency policy she did not have to do so any sooner -- the policy states the acts must be taken "twelve months prior".

Chairman Morrison asked if there were any further questions of either Dr. Schramm or Mr. Reagor. Hearing no response, he called for a motion on the appeal. Regent Lind moved the Commissioner's decision denying Ms. McCormack's classification as an in-state student for purposes of certification under the WICHE and WAMI programs be upheld based on her financial dependency on her parents who are not now nor ever have been Montana residents; the 1985 summer residency with her parents outside of Montana; the delay in time which transpired between Ms. McCormack's arrival in Montana and any actions taken to indicate her intent to become a Montana resident; and the car title and registration which indicates her continuing financial support from her family. Regent Scully asked the motion be amended to include all the actions or lack of actions taken, and the evidence of the tax return in the statement filed by Ms. McCormack, which demonstrated her intent not to become a resident of the state of Montana. The motion as amended carried unanimously.

Regent Lind stated the Board has a motion on the table regarding the residency appeal of Steven Haney. The matter has been resolved, and Mr. Haney has requested the appeal be withdrawn. Regent Lind moved the residency appeal of Steven Haney be withdrawn from consideration, with a note of appreciation to the University of Montana for their successful resolution of the matter. The motion carried unanimously.

Regent Lind stated he felt it incumbent on the Board to take formal action on those things discussed philo-

October 24-25, 1985

sophically in the workshop and other settings. Regent Lind proposed the following two motions:.

1. That the Council of Presidents consider and report to the Regents alternatives and ideas for sources of revenues and methods of providing adequate funds to meet the budget request to the 1987 legislature. The discussion should include internal review and suggestions as to cost saving possibilities, alternatives to programs and staffing, and anything else the Council might add which would contribute to the intent of the motion. To be properly prepared for the up-coming legislative session the Board needs information as to what the System should be prepared to do, and the presidents are the people best prepared to provide specific suggestions. This will enable the Board to develop its legislative strategy. The Council of Presidents will report back to the Board on these considerations at the February 1986 meeting. The motion carried unanimously.

2. Regent Lind stated the next motion is broad-based and the result of considerable discussion among the Regents. He moved the following: The Board would like the Council of Presidents to consider and report to the Regents on integration and coordination of the University System which should include: ideas regarding exchange of programs among the units; coordination of admissions, curriculum, computer networking, use of telecommunications, extended education, and sharing of equipment. The Board would also like to hear what ideas the presidents have regarding governance and administration of the vocational technical schools and the community colleges. Specifically that should include how the vo-ed schools and community colleges could be integrated into the higher education system, or whether they should not be inte-

October 24-25, 1985

grated into the higher education system. Discussion should be started on these topics now, and periodic reports made to the Board. The motion carried unanimously.

Regent Lind next requested the Chairman appoint two special committees:

(1) A Legislative Strategy and Priorities Committee which would have its first meeting following the report from the Council of Presidents in February 1986, mandated in the first motion; and

(2) A Six Mill Levy Committee to address the System's position with respect to how to prepare for that referendum.

Regent Scully stated he believed the Legislative Strategy and Priorities Committee would be working at cross purposes with the existing Management Study Committee. He noted the original charge to that committee included studying what direction the System should take with respect to the budgeting formula and the funding mechanism. President Bucklew concurred that the charge to the Management Committee included dealing with outlines of legislative strategy focusing on the formula and related issues. After discussion, Regent Scully suggested postponing formation of the Legislative Strategy and Priorities committee for at least two months until the scope of the Management Study Committee is determined. The Commissioner was instructed to schedule a Regents' workshop in late April or early May, 1986 to provide the full Board an opportunity to review the scope of the Management Study Committee and discuss planning for the 1987 legislative session. It will be decided at that workshop whether the Management Study Committee should be expanded and/or a Legislative Strategy and Priorities Committee appointed, and a determination made on the appointment of the special Six Mill Levy Committee.

October 24-25, 1985

Jack Noble introduced Mr. David Evenson, Acting Group Insurance Administrator, who reviewed and elaborated on the Montana University System Group Benefits Program report (on file) sent with the agenda material. Mr. Evenson noted last year the Regents authorized the Commissioner to establish a partially self-insured group insurance plan for University System employees. The program authorized by the Regents has been successful. Health insurance premiums have been stabilized, resulting in reduced out-of-pocket costs for dependent coverage, benefits were increased in the dental and life insurance plans. Mr. Evenson reviewed the self-insured group insurance program, benefit plan design, and health promotion/employee wellness program as set out in the report. Mr. Evenson concluded his report with a discussion of the Health Care Cost Containment Advisory Council established last January by Governor Schwinden. The Council is studying problems caused by excessive medical inflation in Montana, and is expected to recommend changes in public policy that will help contain those costs. He stated medical costs are anticipated to double again in the next decade. The Regents will continue to be faced with this problem as it impacts the System. Much is beyond the System's control, but efforts are being made to deal with these escalating costs as they occur.

Commissioner's Report

At the Commissioner's request, Paul Dunham, Director, Research and Services, distributed copies and reviewed his memorandum to Dr. Krause dated October 22, 1985 on 1985 enrollments (on file). In summary, FTE enrollments are down at all campuses. Overall in the System the headcount enrollment is down just under 3%. Indications are that first time beginning freshmen are going to be down again, which

October 24-25, 1985

suggests enrollments will not change much in the next two years. Mr. Dunham reviewed the fiscal year full-time equivalent enrollments, explaining they are normally revised after fall enrollment data are available. The revised estimates provided are based on enrollments in summer sessions and fall terms this year compared to similar data for the last three years. These estimates indicate the FYFTE enrollments are 600-700 below the figures used by the legislature for funding purposes.

The Council of Presidents, Board of Public Education, Office of Public Instruction, Faculty Association, and Montana Associated Students had no reports.

Regent Redlin asked if the community colleges had had an opportunity to make presentations to the Regents on their academic planning. Dr. Krause responded they had been invited to do so when the process was begun, but chose not to participate.

Dr. Stuart Knapp introduced the members of Montana State University's Local Executive Board.

Regular Agenda

On motion of Regent Paoli, the following items were approved:

| | |
|--------------------|--|
| Item 49-100-R1085, | <u>Staff; University of Montana</u> |
| Item 49-200-R1085, | <u>Staff; Montana State University</u> |
| Item 49-300-R1085, | <u>Staff; Agricultural Experiment Station</u> |
| Item 49-400-R1085, | <u>Staff; Cooperative Extension Service</u> |
| Item 49-500-R1085, | <u>Staff, Montana College of Mineral Science and Technology</u> |
| Item 49-501-R1085, | <u>Professor Emeritus Status for Professor John G. McCaslin; Montana College of Mineral Science and Technology</u> |
| Item 49-700-R1085, | <u>Staff; Eastern Montana College</u> |
| Item 49-800-R1085, | <u>Staff; Northern Montana College</u> |
| Item 49-901-R1085, | <u>Staff, Office of Commissioner of Higher Education (Addition to Agenda)</u> |

October 24-25, 1985

The meeting adjourned at 12:00 noon. The Regents reconvened immediately for a luncheon meeting of the Commissioner of Higher Education Search Committee. At 2:30 p.m., the Regents held an open forum for students, faculty, and interested persons in Ballroom C of the Strand Union Meeting.

The next regularly scheduled meeting of the Board of Regents will be held December 12-13, 1985, in Helena, Montana.

Chairman, Board of Regents of Higher
Education, Montana University System

ATTEST:

Secretary