

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

DATE: September 15-16, 1986

LOCATION: Conference Room
Montana University System
33 South Last Chance Gulch
Helena, Montana

REGENTS PRESENT: Morrison, Birkenbuel, Hurwitz, Kaze, Lind,
McCarthy, Redlin
Commissioner of Higher Education Carrol
Krause

REGENTS ABSENT: None

PRESIDENTS PRESENT: Koch, Carpenter, Merwin, Norman, Treadway
Tietz

PRESIDENTS ABSENT: None

Minutes of Monday, September 15, 1986

Chairman Morrison called the meeting to order at 2:00 p.m. Roll call was taken, and it was determined a quorum was present.

Commissioner Krause introduced Rene Dubay Church, Director of the Educational Talent Search Program. Ms. Church spoke briefly on the purposes of the program, and introduced the Talent Search Coordinators, who were in Helena attending a three-day workshop/meeting. She explained the Coordinators are the people working on the program in the field, and commended them for the excellent job they are doing which contributes immensely to the program's success.

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Chairman Morrison introduced Regent Jim Kaze, Havre, Montana, and welcomed him to the Board. Regent Kaze replaced John Scully, and will serve for a term ending February 1, 1992.

Report on Legislative Finance Committee Meeting

Commissioner Krause reported he and the presidents of the units attended the Legislative Finance Committee meeting held on September 12, 1986. The budget amendments authorizing spending authority for the monies raised by the recently-enacted tuition surcharge were approved by the committee.

The committee had requested each campus prepare a report on the numbers of classified, faculty, and administrative positions reduced as a result of the over \$8 million reduction in funding experienced by the System. Those reports were reviewed by the committee.

There was discussion of the \$2 per credit hour surcharge levied by the Regents for one year to attempt to offset some of the loss of general fund. It was explained to the committee that even with the imposition of the surcharge, Montana ranks below the national average in mandatory fee charges to students, but is now 105% in relation to the System's peer institutions. Montana has enjoyed the reputation of being a "low tuition" state, but unfortunately that trend is reversing.

Commissioner Krause noted there was opportunity to discuss with the committee the importance of the System being allowed to retain funds saved through changes and efficiencies it is able to effect. That discussion was positive. It is essential, however, the System continue to make that concern known to all legislators, not just those serving on the Finance Committee.

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Commissioner Krause also discussed the possibility that it may be wise to request the 1987 legislature change the funding methodology of the System from the present formula to "base-plus funding." Chairman Morrison questioned whether the base-plus funding methodology would be appropriate in the next biennium. There may be a "phasing in and phasing out" of programs in the next biennium which would not be adequately reflected in base plus funding. Commissioner Krause responded that may be true in the first year of the coming biennium. In the second year, he believed students would begin to adjust to any program changes, and there would be movement between campuses with resulting enrollment instability. The Commissioner believed it important the legislature provide funding stability during the period of transition.

President Tietz spoke to the problem campuses have experienced in the past when changes in programs have been made in the interest of sound management, but are perceived by the legislature and the fiscal analyst to be program modifications. The funds saved are lost to the System, and campuses are penalized for good management. If changes to the System are made as a result of the studies presently underway, every effort must be made to assure the dollars saved are made available to the System, and not transferred by the legislature to be used for the benefit of another state agency. He cited as an example the contemplated merger of the Agricultural Experiment Station and the Cooperative Extension Service. If that is perceived to be a program modification, Montana State University stands to lose \$250,000. Chairman Morrison agreed this has been a problem, and may be in the coming biennium.

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The System has to be prepared to show what it did or will do with any savings realized by changes. The legislative perception of the changes is critical.

Status of the Budget

Commissioner Krause reported that in conversations with the members of Legislative Finance Committee and other legislators different readings are received on the condition of the state budget going into the 1987 biennium. Some project a \$4 million shortfall. There are varying projections of the resources available in the future to continue state services. There is the possibility of a \$30 to \$40 million wind-fall from federal tax law changes, and there has been some upturn in the agricultural and mining industries. The "best case scenario" is there will be no budget increases or program modifications, or in the worst case, there may be an additional 5% reduction in general fund.

Commissioner Krause also discussed the devastating effects the passage of Constitutional Initiative 27 would have on all of government in Montana. The Board of Regents and the Board of Public Education, sitting as the State Board of Education, will be presented with a resolution opposing its passage at the meeting to be held on September 16, 1986. Commissioner Krause urged the Board of Regents to stand in opposition to CI-27, and support the resolution.

Library Automation and Computer Bonding Projects Report

Paul Dunham, Director of Research and Services, outlined each unit's computer enhancement projects made possible by the System's bonding activities, Title III Grants, and the monies generated by the computer fees.

Some of the smaller units have completed their library automation, and the remaining campuses are nearing completion. When completed, this project will be of enormous benefit to students and faculty.

The meeting recessed at 2:35 p.m. The Regents reconvened immediately in executive session.

Minutes of Tuesday, September 16, 1986

The State Board of Education met in the Governor's Conference Room from 8:30 a.m. to 10:15 a.m.

The Board of Regents met in executive session from 10:30 a.m. to 11:40 a.m.

The Board reconvened in open meeting at 11:50 a.m. in the Conference Room in the Montana University System office. Chairman Morrison called for additions or corrections to the minutes of the previous meetings. None were stated, and the minutes of the July 31-August 1, 1986, meeting; the August 8, 1986, Conference Call Meeting; and the August 26, 1986, Conference Call meeting were ordered approved

By-Laws and Policy Committee

Submission Agenda

Item 53-001-R0986, Presidents, Salary; Montana University System (REVISED), was received for consideration at a future meeting.

Dr. Krause noted the revision is intended to clarify the sources of income presidents of the System can receive, and regardless of the source, if the income is received for service as president of a unit, it requires Board approval. The item will be placed on the action agenda at the October 1986 meeting.

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Capital Construction Committee

Bill Lannan, Director of Special Projects, reviewed the three items on the committee agenda. The two items authorizing expenditure of funds for energy retrofit at Montana State University and Western Montana College were before the Board because the Architecture and Engineering Division requires Regents' approval before the funds can be spent. The third item authorizes Western Montana College to apply for energy financing assistance from the Montana Department of Natural Resources and Conservation.

On motion of Regent Kaze, Item 53-203-R0986, Authorization to Expend Funds for Energy Retrofit Modifications; Montana State University was approved.

On motion of Regent Hurwitz, Item 53-602-R0986, Resolution to Allow Western Montana College to Apply for the Energy Financing Assistance Project at the Montana Department of Natural Resources and Conservation was approved.

On motion of Regent McCarthy, Item 53-603-R0986, Authorization to Expend Funds for Energy Retrofit Modifications; Western Montana College was approved.

Budget Committee

Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, reviewed Item 51-001-R0686 Inventory and Validation of Fees; Montana University System (REVISED). He explained the inventory was reviewed at some length when it was originally presented at the June 1986 meeting. It has now been revised to include the tuition surcharge adopted by the Regents at the August 1, 1986 meeting.

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Mr. Noble also presented the annual update of costs of attending a unit of the Montana University System. For the current year, that cost will be approximately \$3,800, for an increase of 9.6% over the previous year.

On motion of Regent Hurwitz, Item 51-001-R0686 (Revised) was approved.

Mr. Noble reviewed Item 53-002-R0986, Holiday Exchange; Montana University System. The item provides the required Regental authorization for campuses and the Commissioner's office to exchange certain holidays if they desire to do so. The exchanges are made in the years that Christmas and New Year's Day fall on Thursday or Tuesday. The holidays exchanged are set out on the item. On motion of Regent Lind, the item was approved.

Proposed Legislation for TIAA-CREF Retirement Option

Mr. Noble reviewed the discussion paper regarding the advantages of providing an optional retirement plan for faculty and administrators of the Montana University System sent with the agenda. Mr. Noble noted the previous unsuccessful attempt of the system to provide a similar benefit. The option was discussed at the last Council of Presidents' meeting. It was unanimously agreed it would be of benefit in recruitment and retention of faculty and administrators if the System could provide the option of a portable retirement plan. Since there will be very little money to solve the System's salary problems in the next legislative session, it is believed this might be the time to seek statutory language that would be of help.

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In discussion, Mr. Noble outlined TIAA-CREF's willingness to help with preparation of the required legislation, and responded to Regents' questions regarding the impact the option would have on the Teacher's Retirement System. Presidents spoke in support of the proposal. Faculty Senates and representatives of the collective bargaining units will be asked to endorse the proposal. It is anticipated they will do so.

Regent McCarthy moved the Board authorize the Commissioner's staff to work with TIAA-CREF to draft legislation to be introduced in the 1987 Legislative Session to provide the additional retirement option for faculty and administrators of the Montana University System. The motion carried unanimously.

New Business

Chairman Morrison introduced Dr. James V. Koch, newly-appointed President of the University of Montana. On behalf of the Board, the Chairman welcomed President Koch to the Montana University System.

Approval of Appointment of Members of the Montana Guaranteed Student Loan Advisory Council

Commissioner Krause explained the statutes require representation of various segments of the higher education community on the GSL Advisory Council. Regental approval of the membership is also required. In accordance with Section 2-15-1520 Montana Codes Annotated the following names were submitted for approval, with the term of appointment beginning October 1, 1986:

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For a three year term representing private schools: Gloria Wright, Financial Aid Officer for Rocky Mountain College of Billings Montana.

For a two year term representing a public higher educational institution: James R. Craig, Financial Aid Officer for Montana State University, Bozeman, Montana.

For a two year term representing a public post-secondary vocational-technical center: Dr. Alex Capdeville, Director of the Vocational Technical Center, Helena, Montana.

For a three year term representing an approved lender: Marylin Kraenzel, Vice President, First Bank of Great Falls, Great Falls, Montana.

For a one year term representing an approved lender: James A. Stipcich, Executive Director, Montana Higher Education Student Assistance Corporation, Helena, Montana.

For a one year term as student representative: Scott Birkenbuel, Bozeman, Montana, also serving as student Regent.

For a one year term representing the office of the Commissioner of Higher Education: William J. Lannan, Director of Special Projects, Helena, Montana.

On motion of Regent McCarthy, the recommended slate of members of the Montana GSL Advisory Council was approved.

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1987 Calendar of Board of Regents Meeting Dates

On motion of Regent Lind, the following 1987 calendar of meeting dates was approved:

January 22-23

March 5-6

April 23-24

June 4-5

July 23-24

September 14-15

October 22-23 (Tentative Date)

December 10-11

Western Montana College Resolution

Commissioner Krause explained the resolution before the Board authorizes the President of Western Montana College to enter into negotiations to utilize facilities at WMC as a permanent location for the Montana Law Enforcement Academy. Previous actions of the Regents authorized the units to cooperate with the committee in its planning process, but restricted any unit in the System from actively pursuing placing the Academy on its premises. The Joint Interim Subcommittee has now narrowed its choices for the location of the Academy to three locations: Lewistown, Great Falls, and Dillon. Because no other unit of the System is now being considered, President Treadway is requesting Board approval to negotiate with the Subcommittee.

On motion of Regent McCarthy, the following resolution was approved:

WHEREAS, the Montana Legislature is seeking a permanent location for the Law Enforcement Academy, and a Joint Interim Subcommittee is considering a proposal to utilize facilities located on the campus of Western Montana College,

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BE IT THEREFORE RESOLVED, that the Montana Board of Regents of Higher Education does hereby endorse said proposal, and grants approval for the President of Western Montana College to enter into negotiations with the Subcommittee.

Commissioner's Report

Commissioner Krause reported on the AFDC College Training Pilot Project FY 1987, jointly sponsored by the Department of Labor and Industry, the Montana University System, and the Department of Social and Rehabilitation Services. The pilot project is intended to provide qualified, motivated AFDC recipients the opportunity to pursue training at the college level. The Memorandum of Agreement (on file) sets out among other things the evaluation of participants to be conducted by the University System. The report was informational, with no action required by the Board.

Commissioner Krause reported Eastern Montana College had received its Notification of Accreditation of the Rehabilitation Counselor Education Program at EMC from the Council on Rehabilitation Education. Commissioner Krause extended his congratulations to all concerned with the program.

Commissioner Krause also reported Eastern Montana College has extended an invitation to the Board to hold the December 11-12, 1986 Regents' meeting on EMC's campus. That invitation has been accepted.

Council of Presidents

President Carpenter, Eastern Montana College, reported in recent ratings of the top fifty public radio stations in the country, KEMC was rated eleventh in public support. Next month he will be

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bringing a request to upgrade KEMC's translator in the Bozeman area to 100,000 watts. To accomplish this, it will be necessary to move the translator to Bozeman, and apply for a new wavelength. The upgrade will be funded partially from federal funds, and the remainder provided by the "Friends of KEMC."

The Board of Public Education, Superintendent of Public Instruction, and Faculty Association had no reports.

The Montana Associated Students noted they would be holding a conference in Missoula concurrently with the October 1986 Regents' meeting. Invitations will be sent to the Regents, and the MAS would be pleased if the Regents could participate in the conference.

Regular Agenda

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

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| Item 53-100-R0986, | <u>Staff; University of Montana</u>
<u>(Includes one post-retirement contract)</u> |
| Item 53-110-R0986, | <u>Degrees, 1985-1986; University of Montana</u> |
| Item 53-200-R0986, | <u>Staff; Montana State University</u> |
| Item 53-201-R0986, | <u>Retirement of George E. Rice;</u>
<u>Montana State University</u> |
| Item 53-202-R0986, | <u>Retirement of Gerald D. Sullivan;</u>
<u>Montana State University</u> |
| Item 53-300-R0986, | <u>Staff; Agricultural Experiment Station</u> |
| Item 53-400-R0986, | <u>Staff; Cooperative Extension Service</u> |
| Item 53-401-R0986, | <u>Retirement of Dr. Carl J. Hoffman;</u>
<u>Cooperative Extension Service</u> |
| Item 53-402-R0986, | <u>Retirement of Orville McCarver;</u>
<u>Cooperative Extension Service</u> |
| Item 53-500-R0986, | <u>Staff; Montana College of Mineral Science and Technology</u> |

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Item 53-501-R0986,	<u>Vice President Emeritus Status for Dr. Roy H. Turley; Montana College of Mineral Science and Technology</u>
Item 53-600-R0986,	<u>Staff; Western Montana College</u>
Item 53-601-R0986,	<u>Post Retirement Contract; Ralph V. Kroon; Western Montana College</u>
Item 53-700-R0986,	<u>Staff; Eastern Montana College</u>
Item 53-800-R0986,	<u>Staff; Northern Montana College</u>
Item 53-900-R0986,	<u>Staff; Office of Commissioner of Higher Education (REVISED)</u>

The meeting adjourned at 12:10 p.m. The next regularly scheduled meeting of the Board of Regents is October 23-24, 1986, in Missoula, Montana.

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

ATTEST:

Carol Grane
Secretary