

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

DATE: January 8-9, 1987

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 Thursday, January 8, 1987

Chairman Lind called the meeting to order at 1:30 p.m. Roll call was taken and it was determined a quorum was present.

Chairman Lind called for additions or corrections to the minutes of the previous meeting. None were stated, and the minutes of the December 11-12, 1986 meeting were ordered approved.

Residency Appeal

Chairman Lind announced it was the consensus of the Board that the residency appeal of Mark Woolsey be heard. He asked if Mr. Woolsey, or his representative, was present. No response was received.

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At the Chairman's request, Assistant Chief Counsel Weinberg reviewed the facts of the appeal as set out in the information sent the Regents in the agenda material. While Mr. Woolsey had taken some steps to establish in-state residency for fee purposes, he had not obtained a Montana driver's license until May 23, 1986. Under Regents' policy, because of his failure to obtain a driver's license in a timely manner, Mr. Woolsey would not be eligible for in-state fee status until spring quarter 1987.

MOTION: After discussion, Regent Morrison moved the Commissioner's decision to deny Mr. Woolsey in-state status for fee purposes be upheld, and the appeal denied. The motion carried.

Program Reduction Reports to Meet Governor's Proposed Budget

Chairman Lind welcomed legislators and the nearly two hundred students from the School of Architecture, Montana State University, who were present to hear the reports. He then outlined the process leading to the Board's request for presentation of these reports. He stated just prior to the December 1986 meeting, the Governor's proposed budget for the next biennium was made public. The cost-saving measures before the Board for action at that December meeting did not begin to address the magnitude of the cuts in funding proposed by the executive budget. The proposed budget released by the Legislative Fiscal Analyst proposes even greater cuts. The Regents felt the diminution of programs throughout the System by across-the-board cuts would not satisfy what is necessary to maintain even basic quality education in

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the System. The presidents were therefore directed to bring to the Board a list of programs which could be eliminated on each campus, prioritized against the campus role and scope, and mission, to meet these proposed additional reductions in funding, and still protect the essential core of each of the units.

Chairman Lind expressed the hope of the Board that the show of support for the programs proposed for elimination will be as aptly demonstrated to the legislature during the budget hearings as it has been today.

In addition, Chairman Lind spoke to the process. The reports to be made today by the presidents are recommendations. Public testimony will not be entertained on the reports at this meeting. If, at a later date, the Board decides it is necessary to act on the recommendations, public hearings will be held on each of programs proposed for elimination and/or consolidation. Those hearings will be held before any action is taken by the Board. It is the sincere hope of the Board that with the evidence of support witnessed today and at the recent public hearing held on the study recommendations, the funding situation can be addressed by the legislature in a manner that will make action on these recommendations unnecessary.

The presidents then presented their reports (on file), outlining what would be necessary in program elimination/consolidation to meet the Governor's proposed budget for the 1989 biennium, and explaining which areas on each campus would be strengthened in order to protect and maintain the core curriculum of the individual campuses.

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Because approximately 200 students from the MSU School of Architecture were present, discussion was held first on MSU's proposal to discontinue freshmen admissions in the School of Architecture in the fall of 1987, anticipating termination of the program with a target date of June 1991. At the Regents' request, President Tietz outlined options that had been suggested or pursued to find other alternatives for the School of Architecture, including translocation, interaction with the accrediting board, implementation of a "super tuition", going private with the program, and providing access through WICHE. Dr. Tietz also discussed how the program is proposed to be financed and maintained during a phasedown period.

A similar discussion was held on the University of Montana's proposal to close the School of Pharmacy. Small communities throughout the state have communicated their concern to President Koch and others that small communities in Montana will not be able to obtain registered pharmacists. The threat of legal action against the University was mentioned. If the University fails to meet its obligations to students presently enrolled in the program, the state faces not only the possibility of lawsuits, but also having to pay the difference between the tuition for the in-state program and out-of-state tuitions to allow students to finish the program. President Koch outlined an all-school rally planned, and other efforts that would be made to regain lost funding for the University and enable it to keep the pharmacy and other programs. The possibility of a "super tuition" to retain some of the high cost programs targeted for elimination was

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discussed by President Koch. If the cuts indicated in today's discussion are indeed made, a proposal for such a tuition will be brought to the Board. Montana's per-student costs are so low that access to the programs in other states cannot be provided without a great deal of extra cost.

Commissioner Krause reviewed the back-up position available to provide access to pharmacy, physical therapy, and some of the other programs through the Western Interstate Commissioner for Higher Education (WICHE). Talks have been held with the Executive Director of WICHE, but the principal problems need to be addressed before the talks proceed further on this method of providing access for Montana students.

Western Montana College, Montana Tech, and Eastern Montana College, presented their proposed reductions, all cutting programs, administration costs, and athletics. Commissioner Krause presented the proposed reductions in the Commissioner's office in personal services, operating expenses, equipment, and student assistance.

President Norman, Montana Tech emphasized that Montana Tech, unique to both Montana and the nation, could not survive these proposed additional reductions and retain anything resembling the present quality and availability of education. He stressed there is no way whatsoever that Montana Tech can meet the proposed executive budget in the first year of the biennium. He strongly urged the Board not to remove the business administration program, citing that one-third of the student body is in business administration. This program subsidizes the more expensive engineering

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programs at a low cost-per-student, and is comprised of nearly 80 percent local, place bound citizens.

President Merwin, Northern Montana College, presented a plan that met the executive budget demands. He explained this was only possible by cutting library acquisitions even further, delaying needed repairs of buildings and replacement of equipment, elimination of deanships, and not filling vacant positions in staff, administration, and physical plant. Responding to Regents' questions concerning the depth of the cuts, President Merwin stated he fully intends to restructure some of the administrative lines. The proposed cuts are deeper than was necessary to meet the proposed executive budget, but were made to provide flexibility which, if certain actions are not taken now, would not be available after January 1. Academic mission was Northern's number one priority in developing this proposal. Reorganizations or reinstatements will be brought to the Board for approval at future meetings.

Regents questioned the presidents as to what prioritization had been given in the preliminary reviews to restoring academic programs, if additional funding was received. The consensus was these proposals were an attempt to respond to a proposed executive budget. Throughout the presentations, attention had been called to the severity of the funding reductions experienced by the System over the last biennium, and the statement about commitment to education made by the level of funding on which the System is expected to operate. An example was cited of the state of Wyoming, which funds one campus, with approximately 9,000 students, at approximately \$70 million. Opposing that

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is the LFA budget for the Montana University System of approximately \$67 million to fund six campuses and 26,000 students. Presidents expressed their strong belief that Montana has been getting an excellent value for the dollars spent on education, but if the budget proposed by the Governor for the coming biennium is adopted, on top of the recissions experienced in the last two years, the Montana University System as it exists today will no longer exist. President Carpenter stated he did not believe there is an agency in state government that makes a dollar go further than does the University System, and he feels no need to continue apologizing for the expenditures of higher education in Montana.

President Tietz stated it was his belief the System has regressed so rapidly in the last 24 - 36 months that discussion of "role and scope" of the campuses is moot. The System is facing the issue of survival. The core of this set of institutions is the future of the state, and that core must be protected. If the legislature raises the level of funding for the System to that proposed in HB 30, it is unlikely that programs now proposed for elimination will be reinstated. If the legislature restores funding to the level appropriated in HB 500, which is what the System had been basing its planning on since 1984, there would be a possibility that some programs could be reinstated. The first responsibility of each of the institutions is to protect the core and enhance quality in those programs that remain, and to shore up those programs remaining through increases in the operating budgets, in salaries, and in the libraries. The first

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priority would not be reinstatement of programs.

Chairman Lind addressed the issues heard in the presidents' reports. He stated it is time higher education let the legislature and the people of Montana know what an excellent value they have been receiving for the dollars spent on higher education. In comparing data from the peer institutions, Montana receives the lowest per-student state support of any state in the peer group. State support averages about \$3,300 per student in Montana; the average peer institution receives \$4,500 per student. Chairman Lind referenced President Tietz' remarks regarding funding in Wyoming. Montana is frequently asked why it does not adopt a higher education system similar to Wyoming's, with one university and a supporting community college system. The per-student state support figures in Wyoming should send a clear signal of the difference between that state's commitment to higher education, and Montana's. Montana currently supports six units on a budget slimmer by \$10 - \$15 million than Wyoming spends on its one university. In addition, Wyoming supports nine community colleges.

Montana needs an additional \$20 million annually to be competitive with its peer institutions. The state of Montana is in desperate straights. The legislature and the people of the state need to know these facts. A concerted effort needs to be made to obtain funding from the legislature to support the education system the citizens of Montana so well deserve.

Funding Resolution

MOTION: Chairman Lind then requested the Board adopt the following resolution: That at a minimum, the



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Board of Regents requests funding from the 50th Legislature at the level established in H.B. 500 for 1986-87. Regent McCarthy so moved. The motion carried unanimously.

Implementation Procedures and Resolution Regarding Program Reductions

Regent Morrison then moved the Board of Regents direct the presidents to take the necessary and appropriate planning steps to implement and effect the program reductions outlined. These steps will recognize the policies and procedures required by Board policy and collective bargaining agreements. Public hearings will be scheduled before final Board action is taken.

Presidents requested clarification of the intent of the motion. Chairman Lind explained the intent of the Board is to give the presidents as much flexibility as possible in the various scenarios that might occur. Retrenchment does not have to be called, or financial exigency, to implement the program reductions discussed. Each president indicated in the previous reports that regardless of whether partial funding is restored, some of the consolidations and eliminations presented today will probably occur. The steps necessary to implement those changes need to be taken to place each campus in a position to react. The campuses have critical problems, with or without enhancement of the budget. If there is budget enhancement, plans are being developed on each of the campuses to use those funds differently. Those processes should be started now, and the intent of this motion is to provide the flexibility for those changes to begin.

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Further discussion was held, including weighing the merits of taking this action now or delaying it to the March meeting, and the possible legal ramifications of such action.

Regent Redlin reiterated statements made at previous meetings regarding what she perceived to be the responsibility of the legislature (dealing with budgets) and the responsibility of the Board of Regents (quality education). She urged the Board to arrive at a consensus and state publicly that the Board will make no more accommodations to budgets.

Again, for clarification, Chairman Lind stated Regent Morrison's motion is not intended to implement the retrenchment procedures called for by the collective bargaining agreements and Board policy. It is intended to give to the presidents the planning processes necessary to implement those procedures if it becomes absolutely necessary that action be taken.

Regent Morrison's motion was reread. Regent McCarthy stated her preference that the motion be tabled for action at the March meeting. Regent Kaze stated he would be more comfortable with the motion if Chairman Lind's clarification of the intent of the motion is set out in the minutes, and understood to be a condition of the motion. The secretary was so directed. The question was called on the motion. The motion carried with Regent McCarthy voting no.

The Board recessed at 4:25 p.m., to reconvene immediately in executive session.

Minutes of Friday, January 9, 1987

The meeting was called to order at 8:30 a.m. by Chairman Lind, with the same members present.

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Capital Construction Committee

Item 54-202-R0187, Resolution to Allow Montana State University to Sell Instrument Shed was reviewed. On motion of Regent Hurwitz, the item was approved.

Bill Lannan, Director of Special Projects, reported that an addition needs to be made to the three building projects requiring legislative authorization as reported at the December 8-9 Regents' meeting. This addition is set out in his memorandum to the Commissioner dated December 29, 1986, and included with the agenda material. Eastern Montana College recommends that the asbestos abatement painting project in the Physical Education building be included. The cost of the project is estimated to be \$95,000, and is of high priority to EMC because of potential liability.

MOTION: Authorization is requested from the Board to seek a joint resolution authorizing the project, and seek other funding if the project is not included in the LRBP recommendation for asbestos abatement. Regent Hurwitz so moved. The motion carried.

Staff Items

Commissioner Krause spoke briefly to the staff items before the Board from Montana State University. He stated the language on the post-retirement contracts was confusing. It should be noted the amount to be paid to those individuals is one-third the annual base salary. MOTION: With that clarification, on motion of Regent Birkenbuel, the following items were approved:

Item 54-201-R0187, Staff; Montana State University  
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Item 54-301-R0187, Staff; Agricultural Experiment  
Station

(Post-Retirement Contract)

Item 54-900-R0187, Staff; Office of Commissioner of  
Higher Education

Additions to Agenda

At the Chairman's request, President Tietz reviewed Item 54-203-R0187, Authorization to Request a Supplemental Appropriation; Montana State University. Montana State University is requesting a supplemental appropriation of \$207,657 to correct an error in its scholarships and fellowships appropriation contained in both HB 500 and HB 30. The Legislative Fiscal Analyst has agreed this was an error in the appropriation. Obtaining the supplemental will allow MSU to honor the requirements they have under the law to provide fee waivers to appropriate student groups. The figure in the supplemental is calculated on the basis of the number of students present at the time the error was made. MOTION: On motion of Regent Morrison, the item was approved.

Item 54-601-R0186, Authority to seek a Budget Amendment to Expend Additional Tuition and Fees in the Amount of \$73,725; Western Montana College was reviewed by Jack Noble. Western's anticipated revenue from the student fee surcharge and additional enrollment is expected to exceed the amount appropriated. MOTION: On motion of Regent Morrison, the item was approved.

Commissioner's Report

Congressional Teachers Scholarship Program

Commissioner Krause reported modifications are needed to the guidelines presented to the Regents'

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at an earlier meeting on the Congressional Teachers Scholarship Program. MOTION: Board authorization is requested to proceed with the awards this year with slightly modified guidelines, and to formally adopt the procedures so selection of scholarship recipients for next year can begin. Regent McCarthy so moved. The motion carried.

Tuition Prepayment Plan

Dr. Krause referenced the material on the tuition prepayment plan sent with the agenda. The executive branch is very interested in the System proceeding with such a plan. It has been discussed in the Council of Presidents. There are some concerns about implementation, particularly whether the Internal Revenue Service will allow the money in the plan to accumulate tax free. There is some question whether this is indeed the best investment option for parents to make to fund their children's education. The Commissioner responded to Regents' questions concerning the details of the tuition prepayment plan. Dr. Krause stated his recommendation would be no further action be taken until the the IRS determination is made, but he hesitated to transmit that to the Governor without the Board's concurrence. After discussion, Chairman Lind stated while the Board is interested in continuing to study the tuition prepayment plan, it concurs with the Commissioner's recommendation to delay further action until the tax status is determined. The Commissioner will keep the Governor and the Board apprised.

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Proposed "Montana Issues" Forum

Regent Redlin spoke to the seminar, Taxation and the Montana Economy, held by Montana State University and University of Montana last fall. All participants felt the seminar was extremely worthwhile. With the increased interest in the System contributing to the educational welfare of all the citizens of Montana, Regent Redlin felt another such forum, more broadly based, was worth pursuing. At Regent Redlin's request, Marilyn Wessell, Montana State University, outlined briefly the steps that have been taken to determine if the legislature would be interested in participating in funding another Montana Issues seminar, in conjunction with the University System. Suggested topics for future training seminars were proposed, such as taxes, health care, funding of higher education, etc. The preliminary budget suggests approximately \$20,000 would be needed from the legislature, and a like amount in private support from the University System. This amount would pay legislators expenses to attend the forum.

MOTION: Regent Redlin then moved that a suitable motion be formulated to request the legislature enter into a shared arrangement to continue the Montana Issues forum, similar to the one funded and arranged last fall by the University System. The content, structure, and funding would be cooperatively arranged between the University System and the Legislative Council, or some other suitable entity. Such seminars should be held at least biannually. The motion carried unanimously.

The Commissioner's staff was directed to frame the appropriate resolution or motion to present to the legislature.

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Restructuring PostSecondary Education With Emphasis Upon  
Community College Development

Chairman Lind referenced the several alternatives recommended in the Commissioner's report for restructure of postsecondary education, and the additional material provided since that report was completed (on file), on the possibility of conversion of at least three of the units of the System to community colleges. The Board will resolve the issue today of whether it wishes to pursue the community college concept within the University System.

At the Chairman's request, Commissioner Krause reviewed the additional material provided at the request of the Board on the community college model. The results of a telephone survey of what is occurring in neighboring states, and a general outline of trends was included. Nebraska, Washington, Wyoming, Oregon, and North Dakota were among the states polled in the telephone survey. A paper titled "Alternatives for Funding Community Colleges" (on file) was distributed and reviewed by the Commissioner. Legislative authorizations needed to convert to community college districts was reviewed.

Commissioner Krause concluded his review, stating the proposal to develop a more extensive community college structure in Montana is based upon the premise that access to higher education can be retained, existing facilities utilized, and delivery of educational services accomplished at a lower cost than the present system allows. The vocational technical centers are included because nationally many programs now offered by those institutions culminate in associate

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degrees, and the placing the governance of those institutions under the Board of Regents is under consideration by the legislature. The proposal could solve existing structural problems in postsecondary education, and establish an effective delivery system of long-term benefit to the state. Disadvantages include shifting a greater percentage of the cost to local citizens; the size of the districts; and loss of upper division coursework in communities now having four year institutions.

Chairman Lind called for comments from the Board.

Regent Morrison questioned the willingness of Montana citizens to further tax themselves on a local level to fund two-year institutions. The difference between cost-per-student at Montana's four year institutions and the existing community colleges is minimal. Location of the units and loss of access to four year programs are detriments. He stated he could not support conversion of any of the present units into two-year colleges without a complete reorganization of the entire structure.

Regent McCarthy discussed what she believed to be the purpose of further discussion of converting to the community college model. Many students in the System do not intend to work towards a four-year degree. This model was proposed as a way to provide access to those citizens, and save them money through reduced tuition. The concept needed study and discussion.

Regent Redlin noted the opportunity to look at what this model might do for the state was



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worthwhile. Living in the area of Montana that she does, she recognized that much of the cost of higher education for people in isolated areas of Montana is in living away from home. Under this model, isolated citizens would be paying for a local community college and also for the four-year schools wherever they are located. There may be some savings in the first two years, but the last two years would probably be at one of the institutions where the costs are higher. She also expressed concern for the existing community colleges whose present funding is precarious. She opposed converting to the community college model.

Chairman Lind noted this type of proposal is viewed by many at first glance as the "lifeboat everyone can jump into and save the System." While there is probably considerable merit to the model in many states, for Montana there are pitfalls. Cost savings have to be balanced with access and costs to local communities, as Regent Morrison stated. The primary goal of the Regents in recent months has been to address the fiscal problems in Montana as they exist today. The difficulties in achieving conversion to a community college system, both legislative and financial, made such a conversion at this time nearly impossible. There is ample evidence, even in these times of fiscal constraint, that the citizens of Montana generally support continuance of four-year institutions throughout the state.

Chairman Lind then asked the feeling of the Board on the issue of closure versus conversion, should one or more of the units be closed through legislative action. Regent Hurwitz stated it was his

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belief if you convert a four-year institution to a two-year institution, you are looking at that institution's demise. Regent Redlin asked if the Board would have the option to convert a unit if the legislature passed legislation to close. Community considerations would have to be considered -- would a small community increase taxes to convert from a four-year to a two-year institution? Would the population base support a two-year institution? Regent Redlin spoke to the inequity of converting facilities built with state funds into community colleges, while the citizens of Miles City and Glendive built facilities without state support. The present system is performing the community college function at a very reasonable rate. Transferring that to a community college system would be cheaper for the state, but not cheaper for the citizens of the state.

Commissioner Krause noted there is a difference in cost to the student. The tuition at the community colleges is significantly less than at the four-year institutions. There are some cost differences. The System is presently funded at about \$400 less per student than the state provides for a kindergarten student. The System has lost \$16 million since the study began. There appears to be nothing left to be saved. Regent Morrison noted it should be clearly stated that because the Montana University System is funded at such a low level in per-student state support, converting to the community college system would not save taxpayer dollars, though there would possibly be some savings to students in tuition costs.

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Chairman Lind asked for comments from the presidents. President Treadway stated he had three persons present who wished to make statements, and then he wished to speak to the issue.

Dr. Keith Parker, Faculty Association, Western Montana College, read a resolution (on file) speaking to the role WMC has historically played in the System, and, on behalf of the Faculty Association, unanimously opposing any attempt to make Western Montana College a two-year institution and urging strong, continuous backing for the present six-unit System by the Board of Regents.

Mr. Mike Cooney presented testimony speaking to the original land grant made by the Poindexter and Orr families which established WMC. Speaking on behalf of the heirs of Mr. Poindexter, Mr. Cooney stated it was their wish Western not be closed or downgraded, but continued as a four-year institution.

Ted Stanisich, member, Western Montana Local Executive Board, spoke to the important role Western has filled in the University System, and the importance of maintaining Western Montana College in its present status.

President Treadway spoke to Western's role in serving small and rural schools, and its ability to provide individual attention to students with special needs. He noted another cost of conversion, and that is the loss of the four year teacher education program implied in any two year status. National attention is on school improvement. Essential to that is the improvement of preparation of professional teachers. The United States can not afford to continue training

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teachers and teaching the way it has for the last one hundred years. The delivery system has to be fundamentally changed. National research has proven that sixteen years of passive education such as is now provided does not produce creative, innovative, motivated educators. Western is one of the few colleges in the United States that is prepared to take the lead in this innovative approach to the preparation of teachers. A teacher shortage is looming on the horizon. He asked that Western be positioned as a specialized four-year college in teacher education, networked with all the other teacher ed programs in the state and the northwest to give leadership to this high priority effort. Community education should be examined comprehensively in a time of recovery of the economy. Community college education is the top of the ladder of community education; it is not the bottom of higher education. Community education is needed, but now we can only afford what we have in place. He urged the Board to not risk abandoning its "blue chip stock" for some speculative investment that is not proven.

Chairman Lind called for other comments from the presidents or the public regarding the community college issues. Hearing none, he asked the pleasure of the Board with respect to the community college issue.

MOTION: Regent Morrison moved that the Board remove from consideration conversion of any of the units of the University System from four-year status to community college status. The motion carried unanimously.

Chairman Lind stated he wished to make recommendations and proposals for the Board's

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consideration on what he considered systemwide issues before proceeding to the next item on the agenda.

Chairman Lind referenced the previous discussion on conversion of a community college system, and the financial, economic, and political problems such a conversion would create. In consideration of the Board's review of the entire system over the past several months, including proposed structural changes, it appears structural changes to the system must be considered. But those should not be made merely because of the current fiscal crisis. Criteria for such considerations should be that the changes make educational sense; there is financial economy to such moves; and that they are politically viable. The System has experienced difficult reductions in its financial status. It must be recognized that significant monies will not be saved by conversion or by structural changes. There may be some savings, but the focus will have to be on the delivery of the System, and what can be accomplished through structural changes to make it a better System.

Chairman Lind requested the Board consider the following:

A joint study of the funding formula be requested. Participants should include representatives from the System, the Board of Regents, the executive branch and the legislature. A revised proposal for higher education funding should be presented to the 51st Legislative Assembly.

Cogent arguments have been heard from Dr. Treadway and other representatives from Western Montana College regarding continuation of that school in its

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present status. Chairman Lind recommended Western Montana College be merged as a four-year branch campus of the University of Montana, effective July 1, 1988. He spoke to what he believed would be the advantages to both schools of such a merger. Given the demands for economic recovery, and the demands for teacher education, it is appropriate WMC maintain its four-year status. Chairman Lind recommended Western continue to offer a baccalaureate degree in teacher education, and the innovative concepts focused on by Dr. Treadway and the faculty at WMC be continued and developed.

Chairman Lind further recommended Western Montana College discontinue the graduate programs and baccalaureate degrees in business, natural heritage, and American studies, and also discontinue its present football program. He recommended that Western Montana College, in conjunction with the University of Montana, develop an emphasis in tourism and recreation, and consideration be given to offer a two-year associate degree at Western Montana College. Western should put in place a two-year transfer program, fully articulated with other units of the System.

Chairman Lind further recommended that the legislature be strongly encouraged to locate the Law Enforcement Academy on the Dillon campus.

These recommendations are made in the belief these actions will enable Western Montana College to continue to benefit from the grants obtained in the past two years, and in recognition of the System's need for teachers and rural education development, and to maximize the use of existing facilities.

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Chairman Lind then spoke to the very difficult testimony presented yesterday by President Lindsay Norman, Montana Tech. The severity of the conditions caused by the erosion of funds and the accreditation problems existing on that campus must be addressed. Given Montana's historical reliance on natural resources, and the importance of the role a minerals engineering college can play in the economic recovery in those areas it is essential Montana Tech maintain its status as a four-year institution. But it is also absolutely essential that Montana Tech's funding mechanism be changed from enrollment driven to base funding.

Chairman Lind recommended that Montana Tech continue its role as a special purpose minerals engineering college. It should continue to offer a two-year transfer program into other units of the System. In consideration of its role and scope, and its core programs, Montana Tech should eliminate its majors in business, and society and technology. Montana Tech should continue its baccalaureate majors in chemistry, mathematics, computer science, and occupational safety and health. The level of funding appropriate and necessary to minimally fund Montana Tech as a special purpose minerals engineering college is the level provided by H.B. 500 in 1986-87. If the legislature is unwilling to fund Montana Tech at that level, the Board of Regents will be forced to pursue other alternative proposals for the continuation of that school.

Chairman Lind made the following recommendations with respect to Northern Montana College. In consideration of NMC's traditional role, it

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should assume the primary role as a premier mid-technical college in the state of Montana. Given the present economic crisis, vocational education is crucial to the economic recovery of the state. The Board encourages the legislature to assign the vocational-technical schools in the state to the Board of Regents. Northern Montana College should assume a primary role in the governance and enhancement of those schools.

Chairman Lind further recommended that by July 1, 1989, Northern Montana College discontinue its elementary teacher's education and master's level programs. The role of NMC with respect to all of its degrees in education should be reviewed. Northern Montana College should develop a multi-entry, multi-exit four-year nursing program. Northern Montana College should also offer a two-year general studies program fully articulated with the other units in the System.

Programs at the University of Montana, Montana State University, and Eastern Montana College will continue to be reviewed to determine whether duplication exists and whether the programs are appropriate where offered in view of the focus placed on some of the other units.

Cooperative efforts will be encouraged to provide extended education on the smaller campuses through telecommunication and other means.

Merger of Western Montana College with the University of Montana

Regent Morrison stated he supported Chairman Lind's recommendations for Western Montana College with one exception. He found it difficult to



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see how the necessary leadership provided so ably by Dr. Treadway can be provided to the students and faculty at WMC by being made a remote, satellite institution of the University of Montana. Dr. Treadway has eliminated all deanships on that campus and proposes to eliminate his vice president. Without a visible president on-campus, who will provide that campus leadership? Regent McCarthy concurred with the concern. Dr. Krause responded the Chairman's recommendation did not exclude the appointment of a provost or chief academic officer to reside on that campus. In fact, that would be an essential part of the merger. Chairman Lind added he felt it very important that Western Montana College maintain its identity by keeping its name, and keeping a high level administrative officer with the title of president, chancellor, or provost -- whatever is deemed appropriate -- to provide campus coordination and leadership.

Regent Redlin voiced several concerns regarding what might be saved and what might be lost with this action. The financial crunch is not over. She requested a careful tracking to determine what merger will do for and to the System. She stated she could support the merger if in a specified time, a review is conducted to determine the results of merger.

President Treadway spoke to the merger proposal. He noted the \$2 million plus dollars he had personally raised from private and federal sources for the enhancement of the college. The budget reductions proposed yesterday would save approximately \$385,000, and the proposed merger would result in only an

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estimated savings of approximately \$300,000 to the System. He spoke of the disruption to the college and particularly to its students of the continual talk of closure. Even with that threat, enrollments have increased dramatically over the last eighteen months and the college has never been stronger. It is extremely frustrating to try to move an institution through that set of conditions. If a merger with the University of Montana would relieve the college of that chronic anxiety and provide a strong, supportive, cooperative, improved delivery system to the public schools of Montana, then he would have to consider the merits of support. Not on economics alone, however. Retention of the four year teacher education program is vital and indispensable to the merger as outlined. Previous merger attempts have been perceived as a clothed closure attempt. They were thwarted in the past. The University of Montana is looking at major reductions in its programs. What assurances of stability will Western be given in the merger process? There are factual and historical grounds to be concerned about the security of the smaller institution in a merger, and the concept of full partnership which the Commissioner has clearly and correctly stated is absolutely essential to any merger. Specifically, President Treadway stated his own views were all options should not be closed for Western to remain a free-standing institution, because the legislature has not spoken on the issue.

President Treadway stated should a merger be decided upon today, there should be a separate appropriation, and not a line item in the University's budget. The Board should seek legislative concurrence for the merger, while monitoring the closure bills currently before the legislature. Part of the

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legislative concurrence should be continued support for the mission of a teacher education college at Dillon.

If a merger is decided on, President Treadway requested the presidents be directed to start the planning process today, with clearly defined guidelines. The presidents will then report back to the Board in concert with the legislation now pending to close institutions. At the point the Board is confident the planning process leads to a conclusion of a viable option and the legislature concurs, Western will wholeheartedly move to an improved arrangement between two newly aligned institutions.

Commissioner Krause stated he concurred with nearly all of President Treadway's comments, with one strong exception. He supported the planning document, a resident administrator, separate identifiable accreditation, and a separate budget. A written document of understanding is essential and should be presented to the Board well ahead of the date the merger will occur. The exception is concurrence of the legislature. Such a merger is the prerogative of the Board of Regents, and it is the continuing responsible body. The success of the merger rests not with the individual presidents of the affected units, but with the Board of Regents. The action should be reported to the legislature, as are many other actions of the Board. Concurrence should not be requested.

Regent Birkenbuel requested clarification as to what this action would do to the teacher education program at the University of Montana.

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President Koch, UM, responded. If the Board decides there will be a merger he vowed his enthusiastic cooperation and intent to make it work. A major goal would be to try to keep Dr. Treadway at Western, because of his outstanding leadership on that campus. He stated his commitment that the public identification of the institution remain that of Western Montana College. Western's teacher education program is unique, and there is room for that uniqueness to remain. The bottom line is, the success of the merger would depend on a great deal of good will and cooperation. He pledged his campus's commitment to make the merger work if the Board moves in that direction.

Dr. Keith Parker spoke to the Faculty Association's pledge to support whatever action the Board deems appropriate. He did, however, strongly support the system already in place as the best system for the Dillon community and the state of Montana.

Regent Kaze requested that he be allowed to make a statement. He stated he believed each member of the Board had only the highest of intentions regarding their duties and obligations as members of the Board of Regents. Ideas will differ. As a Board, policy decisions have been rendered which he would have believed impossible a short time ago. At the December meeting he believed the Board truly acted as a governing board by setting policy and directing those whom the Board employed to do what they were hired to do. They have done so, and met his expectations by presenting the plans yesterday to meet the proposed executive budget. Those plans, while difficult, exhibit true leadership

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and outstanding management. Today some institutions are being asked to bleed even more. In his opinion, enough is enough. The concepts of quality and access are now at risk. He stated he did not want to act out of panic, but out of reason. The colleges and universities in this state are not the cause of its economic woes; they are the solution. Regent Kaze stated he supported those institutions, all six of them. Higher education has done its part. It's lean and mean; it delivers quality; it is accessible. It deserves the support of the people of Montana.

Chairman Lind called for further comments. Hearing none, he asked the pleasure of the Board.

MOTION: Regent Hurwitz moved that a plan be developed by the Presidents of the University of Montana and Western Montana College, and the Commissioner of Higher Education, to administratively merge Western Montana College as a four-year branch campus of the University of Montana by July 1, 1988.

Western will continue to offer baccalaureate degrees in teacher education.

Western will discontinue its graduate programs and baccalaureate degrees in business, natural heritage, and American studies effective Fall 1990. Western will also discontinue its football program at the end of the Fall 1987 season.

Western, in conjunction with the University of Montana, should develop an emphasis in tourism and recreation, consider offering a two-year associate degree, and implement a two-year transfer program.

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The legislature is strongly encouraged to relocate the Law Enforcement Academy to the Dillon campus.

Western should maintain a strong and visible campus administrator, and Western's budget should continue to be separately identified within the University System budget.

The motion carried, with Regent Kaze voting no.

MOTION: Regent Redlin made the following motion:

Two years after the implementation of the merger plan (1990) a formal review of the merger will be held by the Regents. The affected units are asked to report their progress on the merger on a six month basis to the Board. The motion carried.

Commissioner Krause was instructed to notify the Northwest Association of Schools and Colleges of the change in role of Western Montana College and the University of Montana, and communicate with the appropriate accrediting associations.

The meeting recessed at 10:35 a.m., and reconvened at 1:00 p.m. with the same members present.

Montana College of Mineral Science and Technology

The recommendations made by Chairman Lind on Montana Tech were opened for discussion. Regents Morrison and McCarthy questioned the recommended deletion of the society and technology program. It was agreed the degree was appropriate, and should be removed from further consideration.

President Norman questioned the recommendations before the Board. He stated his belief the objective of the Board was to enhance educational

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opportunity throughout Montana. By the action just taken, however, Western Montana College no longer will offer business education, and a similar recommendation is pending to remove that program from Montana Tech. Business administration is the fastest growing, highest demand degree program in the area served by these two units. Quality of the programs is not at issue. Enrollment in the program is growing. The proposed deletion of the business program from Montana Tech will affect potentially some twenty to twenty-five percent of Tech's enrollment. Nearly one-third of all Montana Tech students are enrolled in business courses. Tech currently has about three hundred business majors. Of that number, three-fourths of the business administration students are from the Butte, Anaconda, Deer Lodge area. Over one hundred fifty students are pursuing a business administration degree through evening courses. They are employed locally, and cannot relocate to obtain a college degree. Approximately seven full time equivalent faculty are devoted to the business administration program. If accreditation is to be maintained in the engineering program, Tech would have to retain three to four of those faculty to teach the economics and finance courses that are required of engineering majors. Because of the difference in the cost per student to teach engineering courses and business administration courses, the business program in effect subsidizes the engineering program. Removing business administration from Montana Tech would cost money, not save it. President Norman cautioned looking at the likelihood of Montana Tech being funded at a program budget level that would be required to maintain

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a premier engineering school, passage of this proposal is a closure order in disguise.

Vice President David Toppen spoke to the high percentage of business administration majors who are place bound females. Jim Malmo, President, Associated Students, Montana Tech, spoke in opposition to removal of the business program. Also present were Butte area legislators, all of whom urged the Board to retain the business program at Montana Tech. The legislators asked the Board to delay such a decision until the legislature had an opportunity to explore methods to find additional funds for higher education.

Chairman Lind called for discussion by the Board of the recommendations for Montana Tech. Enrollment in the affected courses was determined. The possibility of developing a cooperative business education degree between the University of Montana and Montana Tech through telecommunications or other means was discussed.

Regent Morrison stated his view of the situation at Montana Tech. Tech's future is in the mining, minerals, and engineering programs. It cannot survive the coming biennium on the proposed budget, because the engineering programs are not adequately funded. He stated it was his perception that with or without the business program, the state of Montana and the legislature will have to make a commitment that Montana Tech is a unique institution, providing unique services to the state and the nation that Montana can not afford to lose. If that uniqueness is to be maintained, Tech has to be funded at a level which allows it to provide those services regardless of



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enrollment. The legislature has not moved in this direction in the past. The commitment of the Board at this time is to the survival of core of Montana Tech as a mining institution. This may mean cutting programs that are not essential to the core. The legislature has to address whether Montana wants a premier mining institution. The answer to that question is dollars.

Chairman Lind added this Board has made a decision that Montana Tech is an integral part of the University System, and is prepared to defend that commitment to the legislature. Other states are closing their minerals programs. Montana has an opportunity to provide access to those programs to students from other states where access is not provided. At the same time it must be recognized those states are making the decision they can not afford that kind of school. This Board is saying because of the importance of this type of school to the state of Montana, and the role it can play in Montana's economic revitalization, it must be preserved, and it must be funded at the appropriate level. If it is not funded as a minerals technology school, then this Board will have to look seriously at changing the mission of Montana Tech. Closure is not the issue. Access to business education programs for place bound students can be provided through telecommunications uplinks. It is the obligation and responsibility of this Board to make programmatic considerations at the individual units. That responsibility does not lie with the legislature.

Regent Redlin commented many people, including legislators, have stated the decisions the Board is making are bad decisions. She stated she could

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not dispute that. The problem is, there is not an opportunity to make good decisions. The Board has the choice only to try to make the "least bad" decisions which carry at least the seeds of survival.

Hearing no further discussion, the Chairman called for a motion on the recommendations for Montana Tech.

MOTION: Regent McCarthy made the following motion:

All four year engineering programs at Montana Tech will remain as they are now, and Montana Tech will continue its role as a special purpose minerals engineering school, provided funding is appropriated by the legislature at the H.B. 500 1986-87 level. If the legislature does not fund Montana Tech at that level, the Board will have to consider alternate action.

Effective July 1990, Montana Tech will no longer offer a B.S. in business.

Montana Tech will implement a two-year transfer program that will allow students to take freshman and sophomore work on the Butte campus, and transfer all credits to any of the other units.

Montana Tech will continue baccalaureate majors in chemistry, mathematics, computer science, occupational safety and health, and society and technology.

The Board realizes this can only be accomplished successfully if the Legislature changes the funding mechanism to other than formula driven.

The motion carried, with Regents Kaze and Birkenbuel voting no.

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Chairman Lind reiterated the points made earlier that programs at the University of Montana, Eastern Montana College, and Montana State University will continue to be reviewed for appropriateness both as to location and mission of the units where they are presently offered.

Northern Montana College

Chairman Lind stated the first recommendation for Northern Montana College for discussion by the Board would be the elimination of the elementary education programs at both the baccalaureate and graduate level. Enrollments in the affected programs were reviewed. Regent Kaze objected to the recommendation, citing, among other reasons, it would create immediate enrollment problems that might take years for NMC to recoup.

President Merwin commented on the recommendations made by the Chairman for Northern Montana College. He expressed enthusiastic acceptance of NMC's designation as Montana's premier mid-technology school, and outlined some of the exciting technological disciplines the college can enter into in conjunction with that designation. The Board's vision in seeing Northern coordinating vocational and technical education is important in this respect. Nursing licensure before the current legislature makes it important for the state to have an alternative to Montana State University's generic program. A feasibility study of nursing programs currently underway at NMC indicates Montana does need a multiple entry, multiple exit program. The message the Board sent to the presidents yesterday would indicate each of the units should proceed with the cost

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saving measures they had presented. NMC intends to do that, with a resultant savings of approximately \$850,000. The proposal now under discussion to eliminate elementary education at NMC takes out approximately ten percent of the enrollment. Elementary education at NMC is probably the least costly elementary ed program in the System. What the administration was attempting to do with the reductions proposed yesterday was hold the enrollment steady, but cut the expenses. Questions of access and quality were addressed by Dr. Merwin. Reducing the institution's enrollment by removing elementary education impacts a budget the size of Northern's rather severely. Funds generated by the elementary education program funds some of the more expensive programs such as robotics. President Merwin questioned whether removal of elementary education from NMC actually meets the criteria set out earlier by Chairman Lind against which the recommended changes were to be measured.

John Voorhis, Director of Teacher Education Certification, Office of Public Instruction, spoke in opposition to removal of the elementary education at Northern Montana College. He supported the statements made by President Merwin, and added elementary education is essential to the secondary program.

President Judson Flower, Miles Community College, spoke in support of the proposed multi entry, multi-exit nursing program proposal.

Jay Brophy, Student Body President, Northern Montana College, spoke of the concern of the students who attended the earlier hearing on this

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issue. He stated what is not obvious in a review of statistics, or heard in discussions in meetings, is the terror the students in the program are experiencing. They feel their whole future is being taken from them.

Vice President Jerry Brown, NMC, spoke to the documents prepared by faculty prioritizing where they believed the limited resources should continue to be utilized at NMC. Quality of faculty, students, and student demand were considered. Elementary education remained in the top quartile, even though other programs that are more productive fell to the fourth quartile.

Chairman Lind asked for additional comments. Hearing none, he called for a motion on the recommendations regarding Northern Montana College.

Expressing regret for the perceived necessity to do so, Regent Redlin made the following motion:

MOTION: That Northern Montana College discontinue offering both undergraduate and graduate elementary education degrees by July 1990.

That the Board of Regents strongly encourage the legislature to place the governance of postsecondary vocational/technical education under the Board of Regents, and

That Northern Montana College, working with the Commissioner of Higher Education, present a plan to the Board of Regents to implement a four-year multi-entry/multi-exit nursing program.

The motion carried, with Regent Kaze voting no.


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Report to the Legislature: Senate Joint Resolution 1


Commissioner Krause stated he would begin writing the response to SJR 1 tomorrow. It will include actions by the Regents at the December 1986 meeting; actions taken today; an overview of the WICHE/WAMI programs; administrative reorganization of the Cooperative Extension Service and the Agricultural Experiment Station; and a paper on economic development. Dr. Krause requested the Board let him know as quickly as possible if there are other matters it wished addressed in the response. The document will be distributed to the Regents as soon as it is prepared, and a conference call will be arranged to provide approval of the document before it is submitted to the legislature.

The meeting adjourned at 2:35 p.m. The next regularly scheduled meeting of the Board of Regents is March 27, 1987, in Helena, Montana.

APPROVED:

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

ATTEST:

  
\_\_\_\_\_  
Secretary