

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

DATE: January 25-26, 1990

LOCATION: Student Union Building
Conference Rooms 202-04-06
Montana Tech
Butte, Montana

REGENTS PRESENT: Mathers, Lind, Redlin, McCarthy, Topel, Kaze
Commissioner of Higher Education Carrol
Krause

REGENTS ABSENT: Clouse

PRESIDENTS PRESENT: Koch, Carpenter, Kerins, Norman, Tietz,
Provost Easton

PRESIDENTS ABSENT: None

Minutes of Thursday, January 25, 1990

Chairman Mathers called the meeting to order at 1:35 p.m. Roll call was taken and it was determined a quorum was present.

Chairman Mathers called for additions or corrections to the minutes of the previous meeting. None were stated, and the minutes of the December 14-15, 1989 meeting were ordered approved.

Planning Committee Report

Commissioner Krause, Chairman of the Planning Committee, reported on that Committee's meeting with the Governor at 9:00 a.m. He noted the packet of

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material covering the matters discussed with the Governor (on file) had been distributed to the Regents and Presidents, and included a proposal to utilize zero coupon bonds as a mechanism to provide construction monies for needed facilities on the various campuses; a proposal to provide an on-going revenue source for deferred maintenance needs; and a section summarizing the building construction needs of the System and the vocational-technical centers.

At the conclusion of the report on the meeting, Commissioner Krause stated the Governor had not been requested to respond to the proposals at this time. He did, however, acknowledge the problems exist, and is believed to be receptive to finding some solution to the issues presented.

Responding to a question from President Koch, it was explained the inflated cost (present construction costs opposed to those of two years ago used in the presentation) for construction of the new facilities would be brought forward in the budget preparation for the 1991 biennial budget.

Chairman Mathers stressed the Governor's willingness to work with the System to address the issues presented. The System will work closely with the Governor also, and keep him informed as new information is available.

Introduction of Regent Kermit Schwanke

Chairman Mathers introduced Mr. Kermit R. Schwanke, Missoula, Montana, newly-appointed member of the Board of Regents. Mr. Schwanke will replace Regent Bea McCarthy, and will serve a term beginning February 1, 1990 through January 31, 1997.

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COMMITTEE SCHEDULE

By-Laws and Policy Committee

Submission Agenda

Deputy Commissioner Hutchinson briefly reviewed Item 66-001-R0190, Mission Statement - Post-Secondary Education; Role and Scope - Montana University System; Role and Scope Statements for MUS Institutions; Role and Scope Glossary. Dr. Hutchinson explained these documents in the aggregate represent significant revisions and updating of the existing Montana University System Role and Scope statements. The several documents are the product of many hours of discussion, debate and revision on the campuses. The Regents, particularly the Curriculum Committee, were also involved in their development.

Dr. Hutchinson reviewed the areas still in controversy, noting while the documents sit on the submission agenda opportunity is provided for comment, discussion, and revision in those areas. In this interval the Board will need to make decisions on which positions it wishes to support. It is hoped the item will be before the Regents for action at the March 1990 meeting.

Dr. Hutchinson identified the major issues in the role and scope statements still unresolved. Legislation passed in the last legislative session requires that a fifth year be added to receive an accounting degree, beginning in 1997. The question this raised was which institutions will be authorized to offer that fifth year. After meetings with the Presidents of the affected institutions, a memorandum of understanding which protects the interests of all institutions is near agreement.

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The separate analysis of Eastern Montana College to determine in part what the character of that institution should be was mentioned by Dr. Hutchinson. Data is being collected by EMC for review. The current role and scope statement for EMC may be adjusted as a result of that independent investigation; the role and scope process is flexible enough to provide for this and other changes if that is the direction of the Board.

Other concerns raised included (1) the wording in Montana State University's role and scope statement under "Areas of Emphasis" regarding that institution's claim to be the lead institution in the three of the fields enumerated: physical sciences; science-math education; and technology education; and (2) the language inconsistency among the statements regarding how centers of excellence are designated. Resolution of these two concerns, and other minor matters the Presidents may wish to speak to, is anticipated before the item is placed on the Action Agenda.

Dr. Hutchinson noted for the record that a portion of Montana State University's role and scope document relative to that institution's commitment to Native American students was inadvertently left out of the document presented to the Board at this meeting. That oversight will be corrected before the item is placed on the Action Agenda.

Dr. Hutchinson responded to various Regents' questions with wording of the System Role and Scope Statement, specifically with the statements "Guaranteed acceptance of credits from other institutions in the System"; "Mutual efforts to assure orderly educational

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changes in response to shifts in society;" and the portion of the "Program" definition in the Glossary relating to "option, track or emphasis within a degree."

President Tietz asked that a standard format be provided for use by the campuses objecting to the "lead" designation in the three areas listed above in MSU's role and scope statement so the responses are made in terms of the campus's capability and activity in research, teaching, instruction and service functions.

President Koch suggested if the statements are to be approved at some future time, the portions titled "Future Plans" not be included in that approval. Approval gives a legitimacy perhaps not intended. The Board concurred with that recommendation.

Hearing no further questions or discussion, Item 66-001-R0190 was received for consideration at the March 1990 meeting.

Deputy Commissioner Brady Vardemann reviewed Item 66-7001-R0190, Role and Scope Statements for the Vocational-Technical Centers. These are the first such documents prepared for the vo-tech centers since their placement under the aegis of the Board of Regents. She noted for clarification that because later in this meeting the Board will be asked to approve a policy for the centers that provides for approval and revision of curricula, and this alludes to the possible futuristic approval of Associate of Applied Science degrees, it was important to include that concept in the role and scope documents. To the best of her knowledge, there were no other controversial issues in the documents.

Commissioner Krause spoke again to the Associate of Applied Science degree, and its history of

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discussion in the Montana vocational-technical centers long before they became part of the University System. That degree is primarily intended to be a terminal, occupationally oriented degree. While it is not intended to be a transfer degree, in some circumstances it could be. There has been increasing pressure on the centers to offer this degree, particularly from students attending the centers. Legislation was introduced in the last session instructing the Board of Regents to offer the AAS degree. That legislation was modified to encourage the Board to look at such offering, and encouraging it to look at such degrees being made joint degrees with certain units of the System. It is a substantive change in the centers' missions, but one that can be justified in certain fields under set guidelines. The Centers should understand that having this statement in the role and scope does not mean all programs will lead to an associate degree; the Board must look selectively at programs as they are re-evaluated and determine which will receive that designation and which will not. Transfer limitations were also discussed by the Commissioner.

Ms. Vardemann assured the Board the Centers understand quite clearly the requirements and limitations discussed by the Commissioner. They are eager to demonstrate the quality of any programs brought forward as an AAS degree. A great deal of effort has been expended to inform students of these differences also. The Centers also are in accord with the instructions of the Board of December 1988 that when a program is developed in concert with a senior institution, leading to an AS degree, that degree will

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be awarded by the University System unit. The language in the vo-techs role and scope statements regarding the AAS degree states "as appropriate." That is to cover the Centers in a case such as the Legal Assisting at Missoula or Occupational Therapy in Great Falls. There are no other similar programs in the senior institutions.

Hearing no further questions or discussion, Item 66-7001-R0190 was received for action at the March 1990 meeting.

Dr. Hutchinson reviewed the remaining four items on the Submission Agenda. The items all pertain to admissions; within the four sections, five revisions are proposed. The rationale and proposed solutions are set out in detail in the memorandum to the Board from Dr. Hutchinson dated January 17, 1990 (on file).

Summarizing:

Item 18-002-R1077; Admission Requirements; General Policies (REVISED): Addresses issue of students who complete their GED prior to age 21 and under present policy are excluded from admission as full-time students. Proposes admission of those students as "Conditional Freshmen" who would be required to successfully complete a prescribed program of study during the first semester of enrollment without being placed on probation. Successful students would be considered regular students in the subsequent semester.

Discussion: Need to determine effective date; probably not possible by Fall 1990 to allow campuses to prepare for students seeking admission under this provision. Regents requested number of students this revision would impact be determined before action at the March meeting. Difference between "probationary" and "suspended" student noted.

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Item 18-003-R1077; Admission Requirements: In-state Undergraduates; Montana University System (REVISED) and Item 18-004-R1077, Admission Requirements: Out-of-State Undergraduates; Montana University System (REVISED): Addresses issue of ambiguity in present policy regarding definition of "transfer student." Proposes new definition in each policy.

In 18-003-R1077, (Problem #4): Requiring Transfer Students to have a 2.00 GPA: Addresses issue that some transfer students are discriminated against in the sense that they may be able to continue in their present institution with impunity, but are prevented from transferring to another institution. Proposed revision provides any in-state student wishing to transfer from one unit in the system to another must be in good academic standing (not on probation) in the originating institution. Good academic standing to be defined by each institution.

Item 42-002-R1283, College Preparatory Program; Montana University System (REVISED): Addresses two issues in present policy:

(1) Definition of a non-traditional student as one over the age of 21. Creates problems for institutions when two students graduate from high school the same year, are several months apart in age, and each apply three years later for admission to college. One is exempt from the College Prep requirements (age 21); the other is not (age 20). Proposes criterion for classification as a non-traditional student be changed to one who does not enter college for a period of at least three years from date of high school graduation, or from date he/she would have graduated from high school.

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(2) (Problem #5): Remove redundancy in present policy created by inclusion of post-baccalaureate students as category exempt from College Prep requirements. The policy specifies that it applies only to first-time, full-time undergraduate students. Proposes deletion of that category from the list of exemptions.

Items 18-002-R0177; 18-003-R1077; 18-004-R1077; and 42-002-R1283 were received for consideration at the March 1990 meeting.

Action Agenda

Item 31-004-R0681, Holiday Exchange; Montana University System (REVISED) was reviewed by Commissioner Krause. The revision strikes the date "November 11" in present policy and simply provides the Friday following Thanksgiving is designated a holiday for all System employees in exchange for "Veterans' Day" unless that Friday is designated as Heritage Day by the Governor. On motion of Regent Kaze, the item was approved.

The meeting recessed at 2:45 p.m. The Board reconvened in executive session at 3:00 p.m.

Minutes of Friday, January 26, 1990

Chairman Mathers called the regular meeting of the Board of Regents to order at 9:15 a.m. The same members were present.

Appointment of Acting Commissioner of Higher Education

Chairman Mathers stated the first order of business would be the appointment of an Acting Commissioner of Higher Education, and an Acting Deputy Commissioner for Academic Affairs.

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Regent Lind stated with a great deal of pleasure he moved this Board appoint Deputy Commissioner of Academic Affairs John Hutchinson to serve as Acting Commissioner of Higher Education for the State of Montana. To serve with him, as Acting Deputy Commissioner of Academic Affairs, the Board appoints Vice President David Toppen, Montana Tech. Both appointments are effective July 1, 1990. The motion carried unanimously.

Chairman Mathers stated at this time he wished to make a statement relative to the position of Commissioner of Higher Education. He stated it is important to stress to the Presidents of the units, and the Directors of the vocational-technical centers, that Dr. Hutchinson will be the Commissioner. The Board expects that all staff of the System will support Dr. Hutchinson, and work closely with him and the Board over the next year. The Board expects that will be done. Dr. Hutchinson will act under the guidance of the Board of Regents when his term begins on July 1, 1990; it is the expectation of the Board that the respect and cooperation due the office of Commissioner will be afforded Dr. Hutchinson. With that attitude, all participants will work together during the coming legislative session to do the very best job possible for higher education in Montana.

Committee Schedule (continued)

Joint Meeting: Curriculum Committee - Vocational-Technical Education Committee

Submission Agenda

- Deputy Commissioner Vardemann reviewed Item 66-8501-R0190, Certification/Associate of Applied

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Science (Interior Design Technician Program); Great Falls Vocational-Technical Center. She explained the item, on the submission agenda, is a four semester plus program in interior design technology. If approved, it would be the only such program in Montana. The administrative and instructional personnel have deliberated on the format of the proposal, and it was their decision to submit the proposal for action at the appropriate time as a certificate program, perhaps to be brought back in the future in an AAS format.

Director Will Weaver noted the program was designed to complement programs already offered at the Center, and provide a better trained work force. Labor market statistics indicate a need for this type program.

Regent Kaze complemented the Center on the professionalism of the proposal.

Item 66-8501-R0190 was received for consideration at the April 1990 meeting.

Action Agenda

Deputy Commissioner Vardemann reviewed the two items on the Action Agenda. Item 66-7002-R1289, Program Deactivation and Closure; Vocational-Technical System (REVISED) speaks to how the vo-tech centers will deactivate, or close, programs.

Item 66-7001-R1289, Program Approval and Revision; Vocational-Technical System (REVISED) provides the mechanism for bring forward new programs for approval and seek substantive revision of existing programs. Through approval of this item, a window of opportunity is opened for the vo-tech centers to present the Board with proposals through which the Board may authorize the centers to award the Associate of Applied

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Science degree. Each proposal and each revision of a certificate program will be brought to the Board for approval.

Ms. Vardemann also noted when these policies were on the Submission Agenda, Regent Kaze asked for a comparison of the existing University System policy and this proposed policy. That comparison has been made and is encompassed in the handout distributed titled "A Comparison of Policies: Current MUS Policy and Proposed VTC Policy on Program approval/Revision/Deactivation/Closure" (on file). Ms. Vardemann highlighted the major differences in the policies, emphasizing there is a great deal of difference in the approach of approval of an academic, or transfer, program, and approval of an occupational-technical program. The majority of differences in the policies lie within the scope of that difference and should exist.

Regent Kaze noted he had a specific reason for requesting the comparison just presented, and he wished to state now what that reason was. When the Board took on the governance of the vo-tech centers there was considerable discussion of the ability of the centers to react to changing job markets in a shorter period of time than is possible at the academic level in the System. That may no longer be the case; with the policy being proposed, hurdles may have been put in place that almost parallel the hurdles required to activate new programs at the University System units. The centers may not be able to respond as quickly as they did in the past to changing job markets that may involve certificates, diplomas, or even AAS in the future. With the policy, Regent Kaze believed the Board

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will be treating that process much more like the University System process for approval of programs than the process that existed in the past.

Commissioner Krause responded there is a policy in existence, covering the vo-techs as well as the System units, which permits establishing emergency programs for a period up to two years with approval by the Commissioner's office. Responding to a specific industry need for training in a particular area does not require formal degree approving process.

Deputy Commissioner Vardemann explained Item 66-7001-R1289 speaks only to programs which are sequential sets of coursework leading to a diploma being awarded. The concern discussed by Regent Kaze and others is very much in the minds of those working in the vo-tech area, because it speaks to the heart of the mission of vocational-technical education -- to be responsive to what the community requires to keep its work force competent. This policy does not address that continuing education component of the centers.

Duplication of administrative functions, particularly in the process of review and approval of programs, was discussed. In the discussion, Regent Kaze stated he would like to see some of the items included in the vo-tech policy, such as institutional declaration of intent to develop instructional program prior to development, included in University System policy.

Center Directors responded to the perceived change in process of program development and approval. They stated the review process is needed, both for the institution, and in its attempts to obtain funding from the legislature. What is proposed is "minimum and

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justified." Three months was considered a reasonable amount of time to respond to most community requests. No objections to the process set out in the item were stated.

Hearing no further discussion, Chairman Mathers called for motions on the items.

On motion of Regent McCarthy, Item 66-7001-R1289, Program Approval and Revision; Vocational-Technical System (REVISED) was approved.

On motion of Regent Kaze, Item 66-7002-R1289, Program Deactivation and Closure; Vocational-Technical System (REVISED) was approved.

Curriculum Committee

Action Agenda

Deputy Commissioner Hutchinson reviewed Item 65-202-R0989, Request to merge the Center for Community Education and the Bureau of Educational Research and Field Services, College of Education Health and Human Development; Montana State University. He explained the item has been on the Submission Agenda to allow opportunity for comment. The merger of these two service arms of the College of Education at Montana State University is motivated by their similar and overlapping functions. The merger provides opportunity for some economies, and more responsiveness to the field. He recommended the item's approval.

On motion of Regent Kaze, the item was approved.

Item 65-501-R1089, M.S. in Environmental Engineering; Montana College of Mineral Science and Technology was reviewed by Dr. Hutchinson. He read a written statement (on file) outlining the Commissioner's office support for the degree as proposed, oriented to

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mining and other specific directly related industries. There does not appear to be direct duplication with the existing master's degree in environmental engineering at MSU. Conventional wisdom suggests that environmental engineering is a growing field, and new aspects of the discipline will develop in the years to come. The System should develop a coherent long-range plan for program development in environmental engineering. Both MSU and Montana Tech have considerable expertise to lend to future development. Cooperative research and academic programs are attractive possibilities.

Accordingly, it is recommended that action on this proposal be deferred to the March 1990 meeting of the Board. In the interim, under direction of the Deputy Commissioner for Academic Affairs, appropriate representatives from the administration and faculties of MSU and Tech should meet and (1) establish clearly which aspects of environmental engineering should be assigned to each of the two campuses; (2) forecast new program development in the field which can be addressed through joint efforts; (3) modify the existing proposal from Tech if necessary; and (4) develop a memorandum of understanding between the two institutions that presents the results of these deliberations in writing for presentation to the Board of Regents.

President Norman, Montana Tech, expressed appreciation to the Deputy Commissioner for his support. He noted his disappointment, however, with the recommendation. This degree proposal is entering its fourth year of deferral. There is a demand for graduates from such a program, and there is immense student demand for environmental engineering programs.

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Tech's designation as a Center of Excellence by the Science and Technology Alliance for environmental engineering, hazardous materials, and Tech's undergraduate program being designated one of only seven accredited programs in environmental engineering show both the credentials of the proposal and the demand are solid. There is room for both this proposal and the MSU program, and a need for a joint working relationship. President Tietz has pledged his support to achieve consensus on the issues. President Norman urged the Board not to allow this deferral to go beyond the March 1990 meeting so the program can be implemented in Fall 1990.

President Tietz supported the proposal, noting the discussions held could result in broader cooperative ventures between the engineering programs at Montana Tech and MSU. MSU and Tech are joint partners in the Center mentioned earlier by President Norman. The two institutions working together should present a formidable set of resources.

Following discussion, Regent Redlin moved Item 65-501-R1089 be deferred for action at the March 1990 meeting under the parameters recommended by Dr. Hutchinson. There may be some modifications in the Tech proposal, and that proposal, and the memorandum of understanding, will be brought to the Board for approval at the March meeting. No approval is implied in the motion to defer. The motion carried.

Capital Construction Committee

William Lannan presented the items on the Capital Construction Committee agenda. After appropriate discussion and review, the following actions were taken on items:

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On motion of Regent McCarthy, Item 66-101-R0190, Remodeling Work Within the Journalism Building to Create Suitable Space for University Graphics and Printing Services; University of Montana was approved.

On motion of Regent Redlin, Item 66-102-R0190, Parking Lot Improvements; University of Montana, was approved.

On motion of Regent Kaze, Item 66-201-R0190, Authorization to Install a Pedestrian Access Bridge for Mullan Hall; Montana State University was approved.

On motion of Regent McCarthy, Item 66-202-R0190, Authorization to Replace Windows in Mullan Hall; Montana State University, was approved.

On motion of Regent Kaze, Item 66-203-R0190, Authorization to Resurface the Outdoor Running Track; Montana State University, was approved.

Mr. Lannan stated Item 66-204-R0190, Authorization to Perform Preliminary Planning Only for a Potential Bioscience Facility; Montana State University raised questions which he felt warranted some discussion. Montana State University has received \$250,000 through a federal congressional appropriation (HR 2883) to plan a bioscience facility. While the planning process would be financed wholly with federal funds, if construction is ultimately authorized it may require state matching money and would impact the priorities in the Regents established long range building program.

Commissioner Krause concurred with Mr. Lannan's summation and the need for discussion.

President Tietz explained members of the

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congressional delegation have been involved in obtaining funds for such a facility in Montana for some three to four years. It is a bridge from the biocontrol programs for plant and animal pests. The federal laboratory was moved from Albany, California to MSU when the plant growth center was opened as a part of that operation. Federal money for planning is now available in two phases -- \$250,000 now, and \$250,000 in the next congressional session. A feasibility study conducted by three national authorities concluded MSU was the place for this facility. It is assumed a successful plan would result in congressional action and fund a major addition, making MSU a national center.

President Tietz stated Mr. Lannan is correct that down the line there would be some requirements for a match. The question of whether that match would come from the state, private industry, foundations, or from the existing investment already made in the plant growth center has not been determined. It is not possible to determine what the congressional language regarding match will be at the time the appropriation is made. President Tietz appealed to the Board to allow MSU to go forward with planning of the facility. Every attempt will be made to plan the project in phases. It is the kind of system that can be done modularly.

Regent Kaze requested clarification. His understanding was that preliminary approval for construction of the building is not being requested; only approval for expenditure of the federal planning dollars. President Tietz stated that is correct; in essence, MSU will be conducting a planning process with federal dollars for the federal government. MSU will be

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reimbursed from the two \$250,000 appropriations for any time spent by MSU personnel or equipment furnished by MSU in the planning process.

Regent McCarthy moved the item be approved.

Commissioner Krause cautioned this is an important decision. Acceptance of such planning funds has the tendency to change the capital construction priorities. If that is not the Board's intent, the motion to accept the planning funds needs to be carefully worded to clearly state what is, and what is not, being accepted and approved.

President Tietz stated for the record that as this proposal developed at the national level he had the same concerns that are being expressed today. He has informed Dr. Welsh, Dr. Jutila, and the congressional delegation that this building will not in any way compete with the existing priorities established by the Board. President Tietz pledged to the Board that this building was never intended to compete with the existing long range building priorities; it was developed independently by the congressional group and some of the agricultural interests. What occurs four years from now will depend on a great many factors which are not known today. Without acceptance and expenditure of the federal planning monies, it is impossible to know if the project is feasible. The plan developed with the funds will be submitted to the Department of Agriculture.

The possibility of individual legislators taking separate action which would in fact rearrange Regents long range building priorities was discussed. Also discussed was the concern of Regent Redlin that units not embark on such planning processes unless there is a goal in mind which the Board supports.

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Commissioner Krause spoke in support of accepting the planning funds, with the caveat that such acceptance does not in any way imply rearrangement of the Board's stated long range building program priorities. Not to do so would be short sighted.

Regent McCarthy then amended her motion to approve to include the caveat that such action does not imply rearrangement of the Board's long range building program priorities.

Chairman Mathers asked that the Board be kept informed as the planning process moves along. President Tietz assured the Board that would occur.

Regent McCarthy's amended motion approving Item 66-204-R0190 was approved.

On motion of Regent McCarthy, Item 66-205-R0190, Authorization to Change the Name of the Veterinary Research Laboratory; Montana State University, was approved.

At the Board's request, President Tietz briefly reviewed the reasons for the land exchanges requested in Item 66-207-R0190, Exchange of Land and Other Real Property Between Montana State University, the MSU/Agricultural Experiment Station, and the MSU Foundation. A home was given to the MSU Foundation for use by the institution as a residence. The gift allows no room for negotiation; the house must be retained for that purpose. The house the president of MSU currently occupies is owned by the institution and there are no caveats for its disposal. The combination of exchanges fit together to provide each entity more convenient and appropriate use of the lands exchanged. The acreage has been adjusted so the exchange is "land for land." Appropriate appraisals were submitted on all properties.

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On motion of Regent Kaze, Item 66-204-R0190 was approved.

On motion of Regent Redlin, Item 66-701-R0190, Authorization to Develop a Translator in Gillette, Wyoming; Eastern Montana, was approved.

Budget Committee

Deputy Commissioner for Management and Fiscal Affairs Jack Noble stated before his review of the first item on the agenda he would like to comment that since the computer fee was implemented in 1984 approximately \$2.2 million has been put into MSU. For the System, the amount totals nearly \$5.5 million.

Item 66-206-R0190, Authorization to Expend Student Computer Fees; Montana State University, was reviewed. The item requests authorization for MSU to expend approximately \$272,100 of student computer fees to expand the University's academic computer equipment resources. The proposed expenditures were unanimously approved by the MSU Instructional Computer Committee as outlined in System Policy 940.23.

On motion of Regent McCarthy, the item was approved.

Biennium Budget Process

Mr. Noble reported a meeting was held with the Governor's Budget Office last week. The time frame for submission of the biennial budget has been accelerated by that office. The OBPP would like a rough outline of the major issues the System will bring before the next legislative assembly on budget matters. A letter containing that outline has been requested to be submitted by February 16, 1990. Campus input of items that may be on the budget submission will be needed.

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The System agenda items will be added, and the letter submitted. It is understood the System has the right to add, delete, or modify this submission as the budget process moves forward. It is not possible to make accurate predictions this early in the current fiscal year as to what will be needed in 1993. Campus submissions should be received in the Commissioner's office no later than February 7.

Commissioner Krause noted the most important System priority will be 100 percent of funding for the formula; there will be other program modifications as well.

Tuition Discussion

Commissioner Krause stated there are three elements of tuition policy that need discussion.

(1) Question: Does the Board agree in concept with adoption of a \$10 application processing fee, identified in a designated account. Considerable additional workload is imposed on the campuses in analysis of applications due to changes in policy and state and federal regulations. The present \$20 application fee is an offset of general fund. The new fee would be a mandatory fee charged to all students applying for admission to University System units, and where applicable perhaps to the vo-tech centers as well.

President Koch spoke to the need for such a fee at the University of Montana to assist in transcript evaluation and credentials of students, as did President Tietz and President Carpenter.

Mr. Noble cautioned before such a fee is imposed there should be careful documentation of the costs of the application process. There is no question

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that students who apply, but do not enroll, cause the institution to incur costs. If those costs exceed the current \$20 application or admission fee, then those students who do enroll subsidize those who applied and did not enroll. He suggested a determination be made of the actual application costs. If an increase is warranted, Mr. Noble suggested the Board increase the present fee to \$30.00 and move the fee to a designated account. It would be extremely important that each campus move similar types of costs so that action could be defended to the legislature. Regents policy regarding imposition of mandatory fees would have to be strictly adhered to if the change in fee status was agreed upon.

Discussion was held on what problems might be encountered if Mr. Noble's suggestion were adopted. Mr. Noble explained how the general fund offset occurs in the fee structure, and why a solid data base of the costs involved in the applications/admissions process would be so important. Commissioner Krause noted there is a rationale for the suggested change. The alternative does exist, however, for leaving the \$20 admissions fee as it is now, and adding a new \$10 application fee in a designated account. Legislative reaction to moving the entire fee to a designated account may be negative.

CONCLUSION: Mr. Noble was instructed to gather data and provide an analysis on the cost of processing applications in the System. Recommendations on options discussed today should be included. Mr. Noble cautioned it will not be possible to complete the survey until sometime in March. Results of the survey

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and recommended options for the Board's consideration will probably be ready to be brought to the Board at its April 1990 meeting. Following the procedures contained in Regents' policy regarding imposition of mandatory fees might require action on any change to be deferred to the June 1990 meeting.

(2) Question: Should there be annual review of tuition? Students have criticized the policy of holding tuitions firm for a long period of time, then raising them dramatically. He asked the Board to provide guidance on whether it would be willing to evaluate tuition on an annual basis. Included in that discussion should be whether the Board wants to consider a tuition increase to be effective July 1, 1990.

Regent Redlin expressed concern with an annual review which might lead to an annual increase. An annual increase is not as easy to defend as one imposed when the need for additional revenue is obvious. Whether an annual review would be helpful in future planning was discussed.

Commissioner Krause recommended a process be established to provide for an annual review. Regents discussed the hazards of such a process, principally that the legislature would offset general fund monies by the amount of the announced increase.

Jack Noble reminded the Board that the annual Inventory and Validation of Fees presented to the Board in September of each year provides an update of costs of attending a unit of the University System. Through that process there is a yearly review of fees and comparisons are made of peer reviews of faculty salaries, budgets, etc. If a yearly review is decided

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upon, timing and purpose of the review would be crucial. Generally, Mr. Noble concluded, tuition has not been used to bolster revenue shortfalls.

President Tietz stated if a policy of tuition review was established, annually or in the off-legislative year, the stigma of adjusting tuition in anticipation or response to the legislative session would be avoided. The process of review discussed by Mr. Noble certainly occurs, but it could be formalized or made more public that tuitions are reviewed annually.

President Koch stated no president wants to see tuitions increase because each increase does result in denied access to some. However, the campuses face pressing revenue needs - of which the Board are well aware. If there is to be a tuition increase, President Koch supported modest increases spread over several years.

Regent discussion included questions on whether tuition increases could be tied to cost of education, capping tuitions, and legislative reactions.

Chairman Mathers summarized the discussion, stating the Board is asked if it wishes to establish a formal annual review of tuition. It would be a scheduled, orderly review, conducted after notice to all appropriate constituencies, and would not necessarily lead to a tuition increase.

Mr. Noble discussed Regent policy on tuition increases, and previous discussions on tying tuition increases to costs of education. Board policy states very carefully "after taking into consideration the cost of education." Mr. Noble explained why tying tuition increases to cost of education has been rejected in the

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past. He urged the Board to maintain as much flexibility as possible, looking rather at the Consumer Price Index, inflation, availability of financial aid, etc.

CONCLUSION: An annual review of tuition will be held each year after the Inventory and Validation of Fees is presented. There is no presumption that an automatic increase in tuition will result from the review. The first such review will be held in Fall 1990, and is an appropriate topic for discussion at the Regents Fall 1990 workshop.

(3) Question: Should the Board rethink its present position regarding tuition surcharges on undergraduate programs. Commissioner Krause stated the position of charging a "super tuition" on selected programs is not fair, among other reasons because those presently in place do not represent all the high cost programs. In the interest of fairness to students, he recommended adding surcharges to all high cost undergraduate programs, or none of them. Commissioner Krause suggested alternatives to the tuition surcharges; he certainly did not dispute that the campuses need the money and that the amount of money available to the campuses should not be decreased.

Regent Kaze mentioned the number of times Regent Redlin had spoken to this issue. He stated imposition of these surcharges was perhaps one of the saddest decisions this Board had made. The problem is that what was intended to be a short term solution has become a potential long term source of funding, and that was never the intent. The only wise move the Board can make is to move towards an equitable method of

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resolution, without stripping the campuses of essential revenue. The campuses should have extensive input to resolve the problem. Students should be made aware the Board is planning to address the inequity.

Regent Topel asked if this could be a part of the discussion at the Regents' workshop in discussion of tuition review. Commissioner Krause noted if discussion is not scheduled until the fall workshop, students are locked in to the surcharge for another year. One option would be to add a small tuition increase to all students, though this has its own inequity in that the only programs experiencing the surcharge are ones at the two universities. Adjusting the "flat spot" in tuition charges would benefit all campuses.

Regent Redlin asked if all graduate programs should have a surcharge similar to the law school fee.

Presidents were asked to comment. President Kerins noted it is more ordinary around the country for a higher charge to be made for graduate instruction than for undergraduate instruction. Differential tuitions in high cost programs are becoming more common nationwide. Data should be gathered on how other states are handling this problem.

President Koch advised caution. The University of Montana is collecting about \$400,000 per year in special tuitions. An overall tuition increase that produces no new revenue, but simply replaces that already being collected, is not an attractive alternative. Students in the high cost programs recognize the need for the differential tuitions, and the University has been able to demonstrate the

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additional funds are put back into the programs. The students in these disciplines recognize they are high cost disciplines; students in those programs earn a higher income when they leave the University; there is a rationale for continuing the present policy. He offered the view that over a period of time, independent and proprietary institutions will also increasingly "price their output" in response to market demands and costs. Cancelling out the students' extra effort will also make pressure on the legislature to do its share more difficult.

President Titez concurred that the issue is a broad one. Differential tuitions are quite common in professional programs. The first question that needs an answer is does the Board wish to talk about differential tuition at whatever level. If it does, then it should examine the process by which programs to be included will be identified. The Board's decision to impose a tuition differential on the architecture program may or may not have been intended to be a long term solution. However, at the time it was imposed no timeframe was placed on the surcharge, and it was not conceived by the administration at MSU as being short term unless the overall funding situation changed. There is no question several programs at MSU would drop off the differential tuition list if funding was somewhere near the peer average.

Regent Kaze stated the fundamental decision has not been made whether differential tuitions are or are not appropriate in the System. That needs to be addressed.

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Deputy Commissioner Noble stated he believed there is a real problem of inequity regarding the surcharges. They were not elected after inventorying program costs; the surcharge was put on because the programs were under attack. In one sense they were selected at random and not on the basis of cost. If costs are the determining factor, perhaps doctoral programs should be taxed. If inequity is the issue with the Board, tuition revenue adjustments should be made in the budgetary process, and the formula allowed to work. However, if tuition differentials are removed, campuses must be given advance notice because tuition and fees are an offset to the general fund.

President Carpenter urged caution. If the Board has determined to do a review of tuition, part of that should include what is happening elsewhere regarding differential tuitions. He agreed with Mr. Noble's assessment of how differential tuitions were assigned. However, the Regents should address the issue of differential tuitions in general before taking precipitous action.

Regent Kaze proposed Commissioner's staff gather national data on differential tuitions practices to be considered at the Fall 1990 workshop. While this does not provide relief to students in these programs next fall, it does send the message that serious consideration is being given to providing relief. The data should include options available to confirm or deny differential tuition levels in a variety of programs. Equity should be a major consideration.

President Koch spoke to what he perceived to be a certain mythology that all students are charged the

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same now. The Inventory and Validation of Fees is full of fees charged some students and not others. If there is interest in equity, eliminate all those fees and impose one very large tuition charge that will take care of all students no matter what their discipline. President Koch stated he did not believe that was appropriate because some students in fact are in extremely expensive disciplines and they ought to do certain things. He believed the Board has decided that is equitable. He cautioned the Board not to assume that differential tuitions are quite as inequitable as has been said. Every year differential charges in specific courses and disciplines are approved; all students do not pay the same fees now.

Chairman Mathers agreed. It would be wonderful to do away with all fees if the money was available elsewhere, but it is not. All of these matters should be considered in the tuition review agreed to be held next fall. The decisions can then be based on fact.

CONCLUSION: The data requested on differential tuitions will be gathered and options for achieving equity presented and discussed at the Fall 1990 workshop.

NEW BUSINESS

The Report of the Commissioner of Higher Education Search Committee was handled at the beginning of this meeting. No additional report was deemed necessary.

Administrative Assignment of Fire Services Training School

Commissioner Krause referenced his

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memorandum to the Board dated January 26, 1990 (on file) containing his recommendations on Item 66-6001-R0190, Administrative Assignment of Fire Services Training School. Responses to the RFP's sent to all units for solicitation of interest in being the host institution for the FSTS were considered at length by the Fire Service Training School Advisory Council. It is that Council's recommendation to place the School within the Cooperative Extension Service of Montana State University. Given the statewide training mission of the School, Commissioner Krause stated he endorsed that recommendation because the existing network of extension agencies could enhance visibility of the School and provide local conduits for training.

Commissioner Krause added at this time there are no funds available to relocate the School to Bozeman. It is feasible to continue to operate the School out of Great Falls. This plan is enhanced because the City of Great Falls has indicated its willingness to provide a long term lease (for \$1 a year) to allow the Regents to acquire the city's fire training facility which includes more than a city block with a fire tower, burn building, and classroom/garage.

If physical relocation is decided on, the legislature would have to provide funds for the move. Classroom space for the School is presently provided by the Great Falls Vo-Tech Center, but it is very limited space which the Center could use for other programs, and is provided rent free at the direction of the legislature.

Director Seldon Weedon endorsed the Commissioner's recommendation, noting the tremendous

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resource enhancement such assignment would bring to the School, and noting also that all such Schools that have attained a national reputation are located at land grant institutions, and in many cases associated with the extension service.

After discussion, Regent McCarthy moved approval of Item 66-6001-R0190, approving administrative assignment of the Fire Service Training School to the Montana State University Cooperative Extension Service, and authorizing negotiations of a lease with the Great Falls Fire Training Center. Negotiations will also continue among the Fire Service Training School, MSU, and the Great Falls Vo-Tech to resolve the eventual physical location. The motion carried.

Commissioner's Report

Appointment to MHESAC Board of Directors

Commissioner Krause requested the Chair consider an appointment to the MHESAC Board to replace Regent McCarthy on that Board. Regent McCarthy's term on the Board of Regents and the MHESAC Board expires on February 1, 1990. Chairman Mathers appointed Regent Elsie Redlin to the MHESAC Board of Directors to replace Regent McCarthy.

Telecommunications Report

At the Commissioner's request, Deputy Commissioner Hutchinson reported on activities related to development of a telecommunications network for the state. The California based organization responsible for its design has held meetings with over sixty people representing Department of Institutions, OPI, the Commissioner of Higher Education's office, the

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University of Montana, Montana State University, Board of Public Education, Carroll College, Helena High School, U S West, etc. A report was also made to the Legislative Oversight Committee and the OPI Education Forum. A telecommunications survey was sent to over eight hundred people in the state representing all levels of education and other state agencies to obtain information of what the telecommunications needs of those constituencies are. A report to the State Board of Education is planned at the March 1990 meeting. The project is on-track, and it appears the deadlines will be met for the final design of the telecommunications network in Montana.

Request for Information from LFA

Commissioner Krause referenced the package the campuses received from the office of the Legislative Fiscal Analyst soliciting information on low-cost, high-cost programs. He asked the presidents not to respond to the request because it is inappropriate to move in that direction if the major effort is to be made on formula funding. The Commissioner stated he would respond that the System believes it should not embark on a process that moves away from peer averages and peer designations of institutions that have been established.

President Tietz noted for the record that MSU has already responded. MSU's nursing program has 500 students enrolled in a program that costs over \$1 million, which certainly puts the cost of providing the program well above the \$4,300 per student funding MSU receives. There is no other similar program in the state. UM faces similar problems in physical therapy and pharmacy. The extra money for these high cost

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programs have to come from someone else's pocket. Getting the formula funded at 72% rather than 70% will not solve the problem.

The Commissioner will respond to the LFA on behalf of the System.

Resolution of Appreciation for Regent McCarthy

Commissioner Krause read a resolution of appreciation for Regent McCarthy (on file) expressing the Board and the System's appreciation for her seven year's of service as a member of the Board of Regents.

On motion of Regent Kaze, the resolution was unanimously adopted.

Chairman Mathers, on behalf of the full Board, expressed sincere and heartfelt thanks to Regent McCarthy for her dedication to the entire University System, and her unfailing good humor in fulfilling her responsibilities.

Council of Presidents

President Koch presented an update on the University's School of Pharmacy. For several decades UM has been dealing with the American Council on Pharmaceutical Education over accreditation. Basically that Council contends the University is not putting enough money into the School of Pharmacy. The program has been on and off probation several times. Last year the ACPE said if that situation was not addressed on an annual basis it would consider revoking accreditation as of June 1990. In response to that the University has come up with a plan involving about \$125,000 primarily coming from additional tuition revenues because of increased enrollments. A commitment was also made to request an additional \$250,000 from the legislature

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through a program modification, which will be brought to the Board in the normal process. Accreditation of the program has been given a one-year extension to June 1991.

President Carpenter expressed his appreciation, and that of the other presidents, to President Lindsay Norman and his entire staff for the outstanding Butte hospitality that has been shown to all participants in the meeting yesterday and today on the Tech campus. Chairman Mathers wholeheartedly endorsed that sentiment on behalf of the Board.

The Vocational-Technical Center Directors, Board of Public Education, Superintendent of Public Instruction and Faculty Association had no reports.

Montana Associated Students

Representatives of the MAS spoke in support of the annual tuition review proposal agreed on by the Board. Students do not mind small increases over short periods of time, but the large increases imposed in recent years have caused considerable hardship.

Students also asked each campus to review their calendars when the semester system is implemented to assure students have sufficient time to travel home for the Christmas holiday. A five day break between the end of the semester and Christmas Day was suggested as reasonable.

Vocational-Technical Student Association

Mr. Jack Nichols, past-president of the Missoula Vocational Technical Center Associated Students, read a statement into the record (on file) on student involvement in the successful passage of SJR 6 in the last legislative session. Mr. Nichols also thanked the Board for its support of efforts to obtain

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authorization for appropriate Associate of Applied Science Degrees in the vo-tech centers, and to improve appropriate transferability of credits among the senior institutions.

Mr. Jay Sunderland, President MVTAS, spoke to student understanding of the issues involved in the AAS degree and the transferability of credits issue. He believed the students are well informed on these issues, and are eager to cooperate with the Board on these matters.

Regular Agenda

Deputy Commissioner Vardemann distributed copies of addenda to two of the vo-tech staff items. The Center Directors also asked Ms. Vardemann to point out that the vo-tech staff items are prepared as to function of the various staff. Those separated out as non-instructional are not necessarily administrative in their assignment.

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

Item 65-100-R0190,	<u>Staff; University of Montana</u> (With Addendum)
Item 66-200-R0190,	<u>Staff; Montana State University</u>
Item 66-300-R0190,	<u>Staff; Agricultural Experiment</u> <u>Station</u>
Item 66-400-R0190,	<u>Staff; Cooperative Extension Service</u>
Item 66-500-R0190,	<u>Staff; Montana College of Mineral</u> <u>Science and Technology</u>
Item 66-600-R0190,	<u>Staff; Western Montana College of</u> <u>the University of Montana</u>
Item 66-700-R0190,	<u>Staff; Eastern Montana College</u>
Item 66-702-R0190,	<u>Resolution on Retirement of Jack C.</u> <u>Hall; Eastern Montana College</u>
Item 66-900-R0190,	<u>Staff; Office of Commissioner of</u> <u>Higher Education</u>
Item 66-7500-R0190,	<u>Staff; Billings</u> <u>Vocational-Technical Center</u> (With Addendum) (Faculty Roster for Information Only)

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- Item 66-8000-R01900, Staff; Butte Vocational-Technical Center
(Faculty Roster for Information Only)
- Item 66-8500-R0190, Staff; Great Falls Vocational-Technical Center
(With Addendum)
(Faculty Roster for Information Only)
- Item 66-9000-R0190, Staff; Helena Vocational-Technical Center
(Faculty Roster for Information Only)
- Item 66-9500-R0190, Staff; Missoula Vocational-Technical Center
(Faculty Roster for Information Only)

Regent Topel stated during the recent search process for the position of Commissioner of Higher Education he detected certain ambiguities in the description of the Commissioner's duties and responsibilities. He asked Deputy Commissioner Hutchinson and Chief Counsel Schramm to prepare a revision of those duties. The revision should make clear that the Commissioner is the Chief Executive Officer of the University System and his duties are to implement the Board's policies and procedures. Staff was directed to bring the proposed revision to the March 1990 meeting.

The regular meeting of the Board of Regents adjourned at 12:15 p.m.

Upon adjournment, the Board attended a luncheon sponsored by the Montana Tech Associated Students, followed by a long range building program tour of the chemistry building. At 2:00 p.m., the Regents conducted an open forum for students, faculty, and interested persons.

The next regularly scheduled meeting of the Board of Regents will be held on March 22-23, 1990, in Helena, Montana.

