

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

DATE: May 6-7, 1991

LOCATION: Helena Vocational-Technical Center
Room 125 A
Helena, Montana

REGENTS PRESENT: Mathers, Schwanke, Topel, Kaze, Boylan
Musgrove, Johnson
Commissioner of Higher Education John M. Hutchinson

REGENTS ABSENT: None

PRESIDENTS PRESENT: Dennison, Carpenter, Daehling, Malone, Norman
Provost Easton;

PRESIDENTS ABSENT: None

Minutes of Monday, May 6, 1991

Beginning at 10:30 a.m., the Board of Regents toured the Helena Vocational-Technical Center. The tour included demonstrations by students in various program areas. At the conclusion of the tour, the Regents and invited guests attended a luncheon hosted by the Helena Vocational-Technical Center.

Chairman Mathers called the regular meeting of the Board of Regents to order at 1:30 p.m. Roll call was taken and it was determined a quorum was present.

May 6-7, 1991

Chairman Mathers noted the first order of business was adoption of a resolution of appreciation honoring the many accomplishments and ten years of exemplary service to the State of Montana by Elsie J. Redlin, whose term on the Board of Regents expired earlier this year. Chairman Mathers read the resolution (on file), and called for a motion to approve. Regent Kaze so moved. The motion carried unanimously. Chairman Mathers noted the resolution would be presented to Mrs. Redlin at a celebration to be held in her honor as part of this meeting.

Consent Agenda

On motion of Regent Musgrove, the following items on the Consent Agenda were approved:

- Item 71-100-R0591, Staff; University of Montana
- Item 71-200-R0591, Staff; Montana State University
- Item 71-210-R0591, Post Retirement Employment Contract; Robert Thibeault
- Item 71-300-R0591, Staff; Agricultural Experiment Station
- Item 71-400-R0591, Staff; Cooperative Extension Service
- Item 71-600-R0591, Staff; Western Montana College of the University of Montana
- Item 71-700-R0591, Staff; Eastern Montana College
(With Addendum)
- Item 71-702-R0591, Dr. Benedict J. Surwill to Professor of Education Emeritus; Eastern Montana College
- Item 71-703-R0591, Dr. Eugene Wiesner to Associate Professor of Psychology Emeritus; Eastern Montana College
- Item 71-704-R0591, Mr. James D. Ziegler to Associate Professor of History Emeritus; Eastern Montana College
- Item 71-900-R0591, Staff; Office of Commissioner of Higher Education
(With Addendum)

Chairman Mathers reported the Governor had requested an opportunity to meet with the Board of Regents during this afternoon's meeting. Because of that request, the agenda will be slightly revised to allow discussion with the Governor of some matters scheduled on tomorrow's agenda.

May 6-7, 1991

Introductions of New Staff Appointments and Announcements

Commissioner Hutchinson introduced and welcomed to the Commissioner's staff Mr. Rod Sundsted, recently appointed Director of Labor Relations for the University System.

President Malone, Montana State University, introduced Mr. Todd Casey, newly-elected President of the Associated Students of MSU.

President Kettner, Dawson Community College, took the opportunity to express his and the campus's appreciation to Dr. David Toppen and Ms. Brady Vardemann of the Commissioner's staff who had recently visited DCC. He also reported on a productive meeting held with President Malone and Vice President Chafey of MSU on issues of articulation and transfer.

President Dennison reported the report submitted by the University of Montana to the AACSB for the School of Business was accepted. The program now has permanent accreditation with no further reports needed. He also reported on a visit by the pharmacy accreditation group which went extremely well. The University now anticipates continued accreditation of that program.

President Lindsay Norman reported Montana Tech has selected Dr. Thomas Waring, former division head of the environmental engineering and occupational safety program, from a field of six applicants to become the new Academic Vice President. Dr. Waring brings outstanding talents to that position and the College is pleased with his selection. The Tech campus has also concluded a nearly ten month review of a new academic organization which will be brought to the Board for approval at the June 1991 meeting.

Presentation by Governor Stephens

Governor Stephens arrived and was welcomed by the Chairman and the Commissioner. Chairman Mathers commented on the pleasure it is to the Board that the Governor took time

May 6-7, 1991

from his extremely busy schedule to participate in a portion of the today's meeting. The Chairman spoke also to the pleasure it has been during the last Legislative session to witness the Governor's leadership as it relates to higher education. The System probably received more financial benefit from that session than it has since 1981. The Governor's leadership in this accomplishment is deeply appreciated. Chairman Mathers pledged the Board of Regents continuing cooperation in working with the Governor to address the problems of higher education in the coming years.

Commissioner Hutchinson echoed the Chairman's statements. He stated it has been a good year for higher education, and the Governor's leadership in putting forth a budget that was one of the best submitted in the last several years for higher education was deeply appreciated. House Bill 2 represents one of the most noticeable increases in funding for higher education in the last many years; approval of construction of the two new buildings, also a result of the Governor's leadership, will provide much needed new facilities at UM and MSU, as will funding for repair of the facility at Northern Montana College, the computer funds for Eastern, and the amounts provided for deferred maintenance needs. Dr. Hutchinson added the community colleges fared extremely well under this budget as well.

Dr. Hutchinson highlighted other actions of the Governor during the Legislative session that the System is very appreciative of - i.e., accomplishments in beginning to address the State's very real rural health care needs, and the last minute funding provided to match the National Science Foundation grant for the Systemic Mathematics Initiative. This last item will leverage approximately \$10 million from the federal government and will literally transform the manner in which mathematics is taught in Montana. The Governor's work in

May 6-7, 1991

the whole area of technology and economic development through Senate Bill 242 was also an area of great accomplishment and will provide enormous benefit to the State as a whole.

Dr. Hutchinson expressed the entire System's appreciation to the Governor for his efforts on behalf of the System. He also acknowledged the efforts of the Legislature in these accomplishments in these very difficult economic times in Montana.

Statement by Governor Stephens

Governor Stephens thanked the Chairman and the Commissioner for the kind welcoming remarks. He stated he appreciated the opportunity to come and visit with the Board just a week after the Legislative Session adjourned. He thanked the Regents and the Commissioner's Office for their efforts during the session, and the cooperation they offered to him and to the Legislature.

Governor Stephens stated some of the remarks he was going to make were somewhat preempted by the remarks made by Chairman Mathers and Commissioner Hutchinson, but he wanted to make them anyway because he had some candid things he wished to share with everyone present as a postscript to this Legislative Session. Governor Stephens noted he was very aware that the Regents understood some of the difficulties encountered by his administration not only in funding general services of the State, but education in particular, because education, and higher education indeed, is so sensitive to Montanans that it does get a lot of press and it does evoke a lot of comment. Governor Stephens stated however that he admits to a certain degree of disappointment that the amount of support for the University System and higher education in general has not been adequately communicated to the general public in Montana. Higher education received the most substantial budget and the

May 6-7, 1991

largest dollar increase in funding in the history of the State. Despite that fact, Governor Stephens stated he continues to hear voices in the press lamenting that higher education was under funded by the Stephens' administration. Students who lobbied the Legislative session from the university system units were misled into believing their degree programs were in jeopardy, and that the future of quality higher education was in doubt, presumably due to a lack of support from the administration, and that the only solution for higher education was to substantially increase the taxes of every Montanan. The Governor believed these remarks were unwarranted, and actually proved damaging to the morale of students and faculty, and no doubt had a negative impact on the Montana public who, like everyone in this room, is deeply concerned about maintaining a first rate University System. The Governor referenced statements in the press, attributed he supposed to editorial writers, that higher education was being starved, or being undernourished, stating that fanned the flames of negativism and he believed did a disservice to the Legislature and his administration when in fact every effort was being made, despite philosophical differences, to responsibly fund the University System.

Governor Stephens then touched briefly on some of the matters he was certain would be reviewed in the Regents' scheduled two-day meeting. How was higher education treated by the administration and the Legislature in the session that adjourned a week from yesterday? Total funding for higher education is scheduled to increase by over \$50 million over the budget that was enacted in 1989. The various components of the System including the six units, the vo-techs, community colleges, and the Commissioner's office will have increases from 15 to 25% in the coming two years. He continued, a great

May 6-7, 1991

deal is heard about peer catch-up for faculty salaries. Many people do not realize that faculty salaries were increased by the administration by 18% in the current biennium, and that they will be boosted by an additional 13% in the coming two years.

The Education Commissioner for the 90's and Beyond, which the Governor noted he appointed and which conducted a year-long study on the future of higher education in Montana, made several recommendations in its report to the Governor last October. Virtually all of those recommendations were approved by the Governor and submitted to the Legislature for its concurrence. The Commission, in its report, recommended that the University System be increased by \$9 million per year over the next five years at a minimum. Now that the Legislative session has concluded and the facts are in, the Governor stated it is appropriate to note that over \$40 million were appropriated to the six units which in effect means the Commission's recommendations on funding were approved to a substantial level.

Finally, the Governor commented on matters mentioned by the Commissioner and Chairman Mathers in capital construction projects. The administration believes a tremendous step forward was made in that area - something that has been needed for a long time in this State. As recommended by the administration, and approved by the Legislature, a construction and capital improvements program in excess of \$67 million was approved by the Legislature. The principal two buildings are the business building at the campus in Missoula, and the engineering and science building at Montana State University. The bonding project also included critical maintenance needs for the U-System which frankly had been ignored during the decade of the '80's prior to the

May 6-7, 1991

time the present administration took office. Further, the Governor noted accreditation was addressed during the session, and with the concurrence of his administration accreditation concerns in pharmacy, nursing, and engineering were met with additional revenues which are contained in what were called "critical funding needs" the last two days of the Legislative session.

Overall, Governor Stephens said he would agree with the Chairman and the Commissioner, and he hoped all in this room, that it was an excellent and a record-breaking session for higher education. He realized there will always be those whose appetite for spending is insatiable and who are impossible to satisfy in the funding levels they deem appropriate for higher education or any other service. That minority of critics will always be there. The Governor stated his principal concern has to be in responding to the people in Montana who fund higher education and all other services; to this Board of Regents gathered here today; to those associated with the administration of higher education; to the faculty; and of course to the students who depend upon state government to provide a quality system of higher education.

The Governor stated then that he trusts, now that the Legislative session is completed, that this Board, working with the Commissioner's office, will take every opportunity, as they have today, to present the public with a comprehensive and accurate portrayal of the success higher education enjoyed in the Legislative session just concluded. Of course there will always be needs that must be satisfied in the future. It is the mission of this Board, and that of the Governor, to address those needs. In that regard, Governor Stephens said to the Board, the Commissioner, the presidents of the University

May 6-7, 1991

System, that he continues to pledge his personal cooperation and that of his staff to the mutual goal, the furtherance of excellence in higher education for the people of the State of Montana.

Chairman Mathers thanked the Governor for his timely remarks, and assured him they would be taken to heart.

Chairman Mathers then made the following statement for the record: During the past Legislative session he had an "open door" to the Governor's office. He was never denied an opportunity to come in and visit with the Governor, to sit down and talk one on one, and lay out all the issues. This Board had continual opportunity to discuss mutual problems with the Governor, as did the Commissioner. A great deal has been accomplished for the betterment of higher education in Montana through this mutual cooperation. Chairman Mathers stated he looked forward in the coming two years to the opportunity to show the people of Montana just what the System can do, and the direction the System will take. That discussion will be started in tomorrow's meeting, and continued in a Regents' workshop in June. All members of the System will be involved in the discussions to set the future direction of the Montana University System. Great strides have been made in creating a University System. Chairman Mathers stated he felt that creating a true System to work through to provide educational opportunities for the citizens of Montana is a truly worthwhile accomplishment. Development of the System's core curriculum is nearly complete. When that is in place a student can begin his/her higher education experience at a community college and be assured of exactly what courses will transfer to complete degree requirements at any of the four-year institutions. Great strides forward have been taken by the System, and working with the Governor and his

May 6-7, 1991

administration, more will occur in the coming years. Chairman Mathers concluded his remarks by once again expressing his appreciation to Governor Stephens for his precedent setting action in meeting in open session with the Board of Regents, and urged the Governor to do so again at any time his schedule would permit.

Concurrent Committee Meetings

The Board of Regents recessed and reconvened in concurrent committee meetings of the Administrative, Budget and Academic and Student Affairs committees.

Minutes of Tuesday, May 7, 1991

The Board of Regents met in executive session from 8:30 a.m. to 9:10 a.m.

Chairman Mathers called the regular meeting of the Board of Regents back to order at 9:30 a.m. The same members were present.

Chairman Mathers called for additions or corrections to the minutes of the January 31-February 1, 1991 meeting. Hearing none, the minutes were ordered approved as mailed.

The minutes of the March 21-22, 1991 meeting were not printed in time to be distributed with the agenda material, and will be carried forward for approval to the May 1991 meeting.

COMMITTEE REPORTS

Academic and Student Affairs Committee

Regent Kaze, Chairman of the Academic and Student Affairs Committee, reported the committee received a brief status report on the System's core curriculum. A more detailed report will be made to the full Board on that matter later in the meeting.

May 6-7, 1991

Regent Kaze briefly reviewed the master calendar now in place which establishes meeting dates for notice, submission and action of curricular proposals. The next meeting for submission of notice of intent proposals will be the August meeting. The community colleges and vocational-technical centers will join the six units in that process, with the exception that the vo-tech centers will continue to submit proposals for conversions of certificate programs to associate of applied science degrees. Ms. Vardemann and staff of the centers will bring to the committee a list of the certificated programs that have been converted to AAS degrees, and those anticipated to be brought forward in the next year.

Presidents of the community colleges who were not present in the Academic and Student Affairs Committee for the discussion of those institutions' participation in the master calendar plan were asked to comment.

President Flower, Miles Community College, noted when the master calendar was adopted for the six units, discussion was held on the unique need of the community colleges to respond to community needs for training in a speedier fashion than the master calendar provides. It was agreed at that time those proposals would be handled on their own merits as they occurred. For other routine curricular proposals, the master calendar format would work as well for the community colleges.

Ms. Vardemann also reported on discussions among the Center Directors which resulted in consensus that barring unforeseen extraordinary occurrences, curricular proposals from those institutions would also follow the master calendar, with the caveat that in the event of an extraordinary circumstance, the vocational-technical system could bring forward proposals outside the format of the master calendar and have the Board be sensitive to that need.

May 6-7, 1991

Regent Kaze reported the following items on the submission agenda were received by the committee for action at the August meeting:

- Item 701-801-R0591, Approval of Proposal to add a General Science Option to existing Master of Education Degree; Northern Montana College
- Item 71-107-R0591, Degree Offerings, Division of Biological Sciences; University of Montana
- Item 71-8501-R0591, Proposal to Convert the Approved Two-Year Certificate - Accounting Technician to an Associate of Applied Science Degree in Accounting Technology; Great Falls Vocational-Technical Center
- Item 71-9001-R0591, Approval of Proposal to Convert the Three-Semester Certificate in Accounting to an Associate of Applied Science Degree in Accounting; Helena Vocational-Technical Center
- Item 71-9501-R0591, Approval of Proposal to Convert the Approved Two-Year Certificate in Retail Management to an Associate of Applied Science Degree in Retail Management; Missoula Vocational-Technical Center

Action Agenda

Regent Kaze reported Item 66-101-R1289, Bachelor of Liberal Studies; Western Montana College of the University of Montana, was placed on the agenda in error. The program was approved a year ago, and requires no action at this meeting.

Item 70-7501-R0190, Approval of Proposal to Convert the Approved Two-Year Certificate in Drafting Technology to an Associate of Applied Science Degree in Drafting Technology; Billings Vocational- Technical Center, was discussed by the Committee, and is recommended for approval. Regent Kaze so moved. The motion carried.

Review of Protocol Document: State Program Approval and NCATE Unit Accreditation for Professional Education Units in the State of Montana

At Regent Kaze's request, Deputy Commissioner Toppen synopsised the Committee's discussion on the Protocol

May 6-7, 1991

Document. At issue is accreditation of the System's schools of education which prepare teachers. Three units of the University System are accredited by NCATE - the nationally recognized accrediting agency for teacher education; two units are not. The accreditation process for schools of education then involves two different procedures for those two different kinds of campuses. Unlike the accreditation process for pharmacy or engineering, wherein the student has to graduate from an accredited institution to gain employment in those disciplines, accreditation in teacher education is an optional process. However, in the accreditation process for those institutions which are NCATE accredited, the Board of Public Education has signed a protocol agreement with NCATE that brings about an accreditation visit process in which there are actually two teams visiting and accrediting campuses at the same time.

Dr. Toppen stated that without going into the details of the process, a dilemma can occur under circumstances in which the NCATE visitors refuse to provide accreditation for a campus while the local visitors, as part of the protocol agreement, do provide a positive recommendation for accreditation. That awkward dilemma occurred in the past year at Eastern Montana College, and the Board has heard reports on the problems created.

The protocol document currently under review by the deans of the schools of education and the academic vice presidents is an agreement that would bring the relationship between the NCATE visitors and the local peer visitors to the campuses into an environment in which it is reviewable and approvable on the campuses.

May 6-7, 1991

The problem the System faces with the whole process is that it is the Board of Public Education that has assumed jurisdiction of the choice of the process for accreditation of the University System's schools of education. That Board is now deliberating whether or not to choose NCATE accreditation as the sole criteria for training of teachers who are then certified to teach in the State of Montana. If the Board of Public Education has that jurisdiction, and makes that determination, than the System's schools of education which are not NCATE accredited will no longer be able to train teachers certified to teach in Montana.

Dr. Toppen stated at this time it is not known clearly where the jurisdictional issues lie, and if it is truly a Board of Public Education issue, or more likely is a State Board of Education matter, which would mean Regent involvement with the Board of Public Education in making that determination.

Dr. Toppen stated the protocol document is a major improvement that will provide a better mechanism for accreditation determination, but more needs to be done particularly with regard to jurisdictional issues to ascertain which Board it is that has the right to determine which of the System's schools are accredited "by whom and how".

Regent Kaze then stated it is the recommendation of the Committee that the Board direct staff to determine exactly what the jurisdictional issues are with regard to certification of issues versus accreditation of teacher education schools within the University System before action is taken on the Protocol Document. If it is determined the document should be considered by the State Board of Education, a request could be made to place it on the agenda at the next meeting of the State Board in September.

May 6-7, 1991

After brief discussion, it was the consensus of the full Board that staff be directed to proceed as recommended by the Academic and Student Affairs Committee. Regent Kaze so moved. The motion carried.

Regent Kaze concluded his report on actions of the Academic and Student Affairs Committee by summarizing the Committee's discussion on student evaluations, faculty workloads, and perhaps a "slow down" of academic proposals being brought to the Committee to allow those matters to be discussed in concert with discussion of other issues facing the System because of budget constraints. Staff was requested by the Committee to bring an inventory to a future meeting of what is occurring in the System and elsewhere on student evaluations in particular, and to begin the process to determine what faculty workload material is needed and can be obtained. The intent is to develop a data base to allow informed discussion and decision-making on whether there ought to be a Systemwide policy on these matters.

Budget Committee Report

Action Agenda

Regent Schwanke reviewed Item 3-004-R1273, Student Fee Deferment; Montana University System (REVISED). The policy states the intent of the Board is that each campus provide a deferred payment plan for students not able to secure other reasonable lines of credit through private financial institutions, and establishes procedures for such a policy so that it is uniform among the campuses. Regent Schwanke reported the only concern expressed to the Committee was whether there was provision for flexibility on individual campuses. After discussion, it was agreed there was flexibility in certain areas, though the intent is that the policy be uniform throughout the System. The Committee recommends the item be approved.

May 6-7, 1991

Regent Musgrove questioned why the administrative charge was increased from \$10 to \$30 for each approved deferred installment. Regent Topel explained part of that increase was related to conversion from the quarter to the semester calendar, there has been no increase in the administrative charge since the 70's, and the System does not want to encourage utilization of the deferred fee process. In addition, the System is moving towards implementation of a credit card system for paying tuition and fees, and this should provide another alternative for students.

At the conclusion of discussion, Regent Schwanke moved approval of Item 3-004-R1273, Revised. The motion carried with Regent Musgrove voting no.

Regent Schwanke next reviewed Item 71-201-R0591, Authorization to Expend Student Computer Fees; Montana State University, and Item 71-500-R0591, Authorization to Expend Student Computer Fees; Montana College of Mineral Science and Technology. Both items were discussed in Committee, and are submitted in accordance with MUS Policy 940.23. MSU is requesting authorization to expend approximately \$403,600 of student computer fees to develop and expand the University's academic computer equipment resources. Montana Tech is requesting authorization to expend approximately \$60,220 of like fees to develop and network microcomputer laboratories. Both items are recommended for approval by the Committee. On motion of Regent Schwanke, both items were approved.

Item 71-6001-R0591, Budget Amendment; Fire Services Training School, \$2,000 Federal Funds FY 91 requests authorization to expend funds from a Title IV 50/50 matching grant from the Department of State Lands to enable the FSTS Resource Center to purchase up-to-date training materials. The budget amendment has been approved by the 52nd Legislature as

May 6-7, 1991

part of HB 1. The Committee recommends approval. On motion of Regent Schwanke, the item was approved.

Regent Schwanke then reviewed Item 71-002-R0591, Credit Card Service; Montana University System. The item authorizes the Commissioner of Higher Education to contract with First Bank System Card Services, Inc., to provide credit card services for Montana's higher education institutions. The recommendation for the selection of First Bank was made by the System's selection committee. The memorandum dated April 4, 1991 (on file) to the Commissioner, Presidents, Vo-Tech Directors and Chief Fiscal Officers with complete details of the selection process was distributed to the Regents with their agenda material. No negative comments were received by the Committee. The item is recommended for approval. Regent Schwanke so moved. The motion carried, with Regent Topel abstaining.

Regent Schwanke explained that Items 71-001-R0591, Computer Fee Reports; Montana University System, and 71-7001-R0591, Computer Fee Reports; Montana Vocational-Technical System, were informational items summarizing computer expenses for the two Systems, and required no action.

At Regents' request, Mr. Noble explained the reports recount the history of the expenditures of the computer fee. Approximately \$7 million has been expended on computer equipment throughout the System since implementation of the fee. Mr. Noble will mail copies of the reports to those Regents requesting copies.

Administrative Committee Report
Capital Construction Items

Regent Boylan reported the items on the Capital Construction agenda were discussed separately in Committee, and all are recommended for approval. The dollar amounts, sources

May 6-7, 1991

of revenue, and supporting documentation for the requests are contained on the individual items (on file). On motion of Regent Boylan, the following items were approved, with any special caveats or amendments indicated below:

- Item 71-101-R0591, Plaza Repair Washington-Grizzly Stadium; University of Montana
- Item 71-102-R0591, Repair and Renovation of Dornblaser Track and Field Facility; University of Montana
- Item 71-103-R0591, Energy Audit University Center and Lodge Building; University of Montana
- Item 71-104-R0591, Grant of Easement to the United States Forest Service, Department of Agriculture for Trail; University of Montana (Requires no expenditure of funds.)
- Item 71-105-R0591, Establish the Grounds as the State Arboretum; University of Montana (Note this item requires no expenditure of funds. It provides endorsement by the Board of Regents as required by statute of the designation of the University of Montana campus at Missoula as the state arboretum.)
- Item 71-202-R0591, Authorization to Replace the Strand Union Building Fire Alarm System; Montana State University
- Item 71-203-R0591, Authorization to Repair the Roof on the Brick Breeden Fieldhouse; Montana State University
- Item 71-204-R0591, Authorization to Pain Six Units of the Paisley Court Married Student Housing; Montana State University
- Item 71-205-R0591, Authorization to Renovate the Wood Gym Floors in the North and South Gyms at the Marga Hosaeus Health and Physical Education Center; Montana State University
- Item 71-206-R0591, Authorization to Paint the Johnstone Center; Montana State University
- Item 71-207-R0591, Authorization to Construct a Vehicle Maintenance Shop and Storage Compound on the Main Agricultural Experiment Station; Montana State University (This item approved contingent on analysis of necessary statutory language. If enabling legislation no longer exists, the item will be resubmitted after appropriate authorizations are obtained.)

May 6-7, 1991

- Item 71-208-R0591, Authorization to Replace Lighting of south Fieldhouse Parking Lot; Montana State University
- Item 71-701-R0591, Approval of Translator Sites to serve residents of Red Lodge; Cut Bank; Chester/Sweet Grass Hills; Zortman/Lodgepole; Malta; Hinsdale; Glasgow; Eastern Montana College
(Translator site maps presented to Committee (on file.)

Additions to Capital Construction Committee Agenda

- Item 71-705-R0591, Authorization to enter into Special Improvement District (SID) with the City of Billings; Eastern Montana College
(The item authorizes the President of Eastern Montana College be authorized to enter into agreements with the City of Billings for a Special Improvement District for widening North 27th Street at a pro rata share for the college of \$50,005. Funding for the first 2 years' payments were included in HB 2, general appropriation act for 1991-1993).
- Item 71-802-R0591, Authorization to Repair Roofs of Morgan Hall and Student Union Building; Northern Montana College
(Necessary roof repairs to a residence hall and the SUB at an estimated project cost of \$90,000.)

Policy Submission Agenda

At the Chairman's request, President Dennison reviewed the actions requested and the discussion held in Committee on Item 71-106-R0591, Approval to Establish an Honors College; University of Montana.

President Dennison noted for the record the item is a submission item only, and grows out of discussion on the campus focusing on the proposal to transform the honors program into an honors college. There has been an honors program on the campus since 1979. Students would have opportunity to be in the honors college, as well as pursue an independent major.

May 6-7, 1991

Approximately 5% of the total enrollment would be anticipated to be in the honors college. President Dennison noted this proposal has been reviewed by the appropriate committee on campus which recommended proceeding with it. The proposal has not completed its review through the faculty process. It is placed on submission at this time to provide notice to the Board that the University is moving in this direction. If the proposal fails to obtain faculty approval, it will be withdrawn. President Dennison stated he believed such a college is important to have on the campus because it allows the University to indicate the importance assigned to undergraduate education, to maintaining the highest possible quality of undergraduate education, and to serve the needs of outstanding students coming to the campus. It provides an area for pedagogical and curricular experimentation which will impact the entire campus. If approved, the existing curriculum in place now for honors students will continue until revisions are developed and brought to the Board for approval.

President Dennison responded to questions of additional cost of the honors college. Approximately \$60,000 will be required to implement the proposal. Commissioner Hutchinson explained the two-tiered procedure by which the proposal is presented to the Board: (1) to provide the administrative structure which is what this proposal is, and (2) curricular items will be submitted to the Academic and Student Affairs Committee.

Dr. Hutchinson explained that while the item was recommended by the Committee to be received for consideration at the June 1991 meeting, that does not imply inevitable approval if discussions on future direction of the System as a whole make such action inadvisable. Vote on the proposal could

May 6-7, 1991

be postponed to the August meeting if that is the wisdom of the Board. He also noted it could be argued also that even in the face of downsizing there may be wisdom in developing a college of this sort. The proposal before the Board is a change in status of an existing program. Issues of downsizing and decoupling from formula funding and the impact of those two events on this proposal were discussed.

Regent Topel stated his preference would be to defer action on the proposal to provide opportunity to see how the proposal fits into future directions of the System that will be discussed within the next several weeks. Regent Kaze supported the concerns expressed by Regent Topel, as did Regent Johnson. Regent Johnson suggested any motion to defer action be entertained when the item was placed on the action agenda in the regular course at the June meeting. Discussion was held.

It was the consensus that Item 71-106-R0591 be received for consideration at the June 1991 meeting. President Dennison noted again that this proposal is proceeding through the regular channels of faculty governance on the campus. He would not know until those meetings are concluded whether action will be requested. The submission item was intended as notice of intent.

Item 10-003-R1175, Appointment; campus personnel; Montana University System (Revised) was received for action at the June 1991 meeting. Dr. Schramm, Chief Counsel, explained this revision relieves the need for campuses to obtain permission from the Commissioner for every consultant hired. The revision raises the threshold at which a campus has to obtain the Commissioner's approval to hire to \$5,000, which is the statutory amount at which consultant services have to be put out for bid.

May 6-7, 1991

Item 18-201-R0177, Enrollment limitations; Montana State University (Revised) was briefly reviewed by President Malone. The language provides some needed flexibility in the highly complex nursing program, providing a system which allows for prioritization and consideration. The Administrative Committee concurred with the campus's request to leave this item on the submission agenda to allow additional suggested modifications to be made to the language regarding ability to give preference to in-state students. That language will be submitted to the Commissioner; it is requested the item remain on the submission agenda until that language is developed and has an opportunity to circulate under the usual procedure. The item was received for consideration at a future meeting.

Policy Action Agenda

On motion of Chairman Mathers, Item 31-004-R0681, Holiday Exchanges; Montana University System (Revised) and Item 63-7007-R0589, Holiday Exchanges; Montana Vocational-Technical System (Revised), were approved.

OLD BUSINESS

Report on Montana University System Core Curriculum

At Commissioner Hutchinson's request, Deputy Commissioner Toppen presented and reviewed the report on the MUS Transfer Core Curriculum (on file). Before Dr. Toppen began his presentation Chairman Mathers expressed his appreciation, and that of the full Board, to Dr. Toppen for the outstanding work exemplified in the report. It is an extremely important step forward for the System.

Dr. Toppen noted he was also pleased with the outcome of the core curriculum deliberations. The University System has been working for more than one year toward establishment of a state-wide transferable core of lower division courses. The curriculum review teams included

May 6-7, 1991

participants from the six units of the System as well as representatives from the Community and Tribal Colleges, and to some extent the vocational-technical centers. To date there have been over five hundred courses across the campuses either fully or conditionally approved for inclusion in the MUS transfer core. In every instance Dr. Toppen noted the faculty indicated that the process itself was extremely helpful in terms of faculty development, sharing of ideas among campuses, and have indicated they would like the core curriculum reviewed on a regular basis to provide on-going dialogue.

Dr. Toppen cautioned that the transfer core curriculum not be confused with on-campus general education requirements. While it will not solve all transfer problems, it is a major step forward in that direction. Many events will ensue as a more comprehensive transfer environment is developed.

Regent Kaze also expressed appreciation for the work which has gone into preparation of the transfer core curriculum. The goal of the Academic and Student Affairs Committee is to eventually provide a published transfer guide to accurately inform students what does and does not transfer. Dr. Toppen cautioned that the "academic brain trust" of the System's campuses has been heavily involved in the conversion from the quarter to the semester system. That has been capitalized on in many cases in submitting things to the core curriculum process. Now that process should ensue. In the fall of 1991 there will occur the next annual submission into the core curriculum. It will evolve on an annual basis as the campus curricula changes. There should be an articulation component to the transfer agreement by the end of the next year.

Legislative Report and Initial Discussion on Downsizing (Including Tuition)

Commissioner Hutchinson said that without objection the above two discussions would be held as one. He suggested

May 6-7, 1991

he begin with an overview of the past legislative session, then turn the discussion over to Deputy Commissioner Noble who will review handouts he has prepared with respect to the amounts of money the System received. After discussion of Mr. Noble's report, the discussion on downsizing will occur.

Dr. Hutchinson began with a summary review of House Bill 2, the appropriation bill providing funds for the six campuses. That bill was finally passed containing pretty nearly the Governor's recommendation. The System also received \$7.8 million for a faculty arbitration award, which nearly consumed in the minds of most legislators the \$8 million which the Governor had recommended as the "Regents' discretionary money", and no such sum was then appropriated. In addition, the System's libraries received \$850,000. One very important addition to the appropriations bill is what is now referred to as the "decoupling language" which allows the Montana University System, if it wishes to downsize as a result of budget shortfall, to disentangle itself from the formula without experiencing a reduction in base funding as reductions in student enrollment occur. Dr. Hutchinson reviewed the amendments added to House Bill 2 in the final days of the session which included a significant amount of money to Montana Tech; \$216,000 for UM's School of Pharmacy; and \$870,000 for the nursing program at MSU.

The Kadas amendment to House Bill 2, added and approved in the final hours of the session and totaling just over \$5 million, provided monies for many of the System's critical unfunded needs such as accreditation at MSU for engineering; EMC for NCATE accreditation; and some additional money for pharmacy at UM. That amendment also provided some additional money for disability services at UM and MSU; NMC received funds to underwrite the work it is doing in Great

May 6-7, 1991

Falls; UM's repertory theatre received funding, as did the Museum of the Rockies at MSU; the full amount requested for public television (\$480,000) split between MSU and UM was provided; the Biological Station at Yellow Bay received some of the funding it had requested; and some additional funding was provided to the community colleges.

The final addition to the System's appropriation, approximately \$1 million for the Systemic Mathematics Initiative, was also noted by Dr. Hutchinson, who explained the partnership of agencies involved in that endeavor. While not actually a part of the System's appropriation, it was believed by those agencies involved to be extremely important to receive funding.

Dr. Hutchinson noted the budgets for the vocational-technical centers is flat, and in fact reductions occurred at some of the Centers. Two things, however, ought to be highlighted: (1) lump sum funding was awarded to each of the Centers, and (2) the Regents received \$150,000 in discretionary money to help in the continued transition of the Centers from the school districts to full authority and responsibility for the Centers by the Regents.

Dr. Hutchinson then reviewed the substantial movement to state support from local support for the community colleges, and the increase in per student expenditures.

House Bill 5 was discussed; the Regents' two top priorities were approved for bonding authority, with certain matching requirements. Money was also provided for gym renovation at NMC; computer monies were made available for EMC; and several projects in the cash program were approved. Mr. Lannan will provide a snapshot of those later in the meeting.

Dr. Hutchinson concluded his overview by brief review of the pay plan bill. That also will be discussed in

May 6-7, 1991

more detail later in the meeting. HB 125 providing security for the American Indian Minority Achievement position in the Commissioner's office was approved with some revision; HB 30, the telecommunications bill, passed and provides substantial infrastructure throughout the state; SB 242, the technology and economic development bill, has been signed by the Governor, and provides extremely important matched funding for research; and SB 62, the lump sum funding bill, was ultimately defeated on the House side. That idea will be revisited in future legislative sessions.

Dr. Hutchinson then discussed what he believed to be less tangible outcomes of the legislative session. He believed a very strong Systemwide perspective was maintained throughout the session, and for that endeavor he thanked his staff and the legislative liaisons and students from the several campuses. All worked in concert, and a number of compliments were received on that effort from legislative members and the Governor.

Secondly, there was considerable credibility and responsiveness gained by and attributed to the Regents and staff. The legislature was appreciative of the efforts to provide all information asked for, and for being honest and forthright in presenting System issues. The Crossroads report was extremely helpful in enhancing the System's credibility. Dr. Hutchinson stated it was a good session - perhaps the best the System has had in a decade. He extended publicly his heartfelt thanks and appreciation to the Governor and the Legislature for everything they did for the System in the session just completed.

Deputy Commissioner Noble distributed and reviewed a four-page document presenting the 1993 biennial budget comparison. He noted certified copies of the bills affecting

May 6-7, 1991

appropriations have not been received, so these are preliminary analyses and may change when those are reviewed. Pay plan allocations for the vo-tech centers have not been received and are not included in the preliminary documents under review. The \$1 million matching flow-through grant received by Montana State University is also excluded to more accurately reflect the dollars MSU will receive.

Mr. Noble reviewed the percentage changes in the individual unit's appropriations. He called specific attention to the situation of the vocational-technical centers. While the bottom line for higher education appears positive, those Centers did not fare well, receiving an increase over the next two years of only \$14,000 excluding the pay plan. Mr. Noble cautioned also that while the percentage increases for the community colleges appear very favorable, what actually occurs is that the state will pay general fund dollars for what was previously in these budgets through local property taxes. What occurs is a switch of tax burden, not an increase in total budget. Mr. Noble also discussed the adverse effect on the budgets caused by imposition of vacancy savings in differing percentages; restrictive language in the appropriation act which prohibits transfers needs to be analyzed; and while the percentage increase of the six campuses' budgets increase 10.1% in the first year of biennium - in the second year there is only a 2.14% increase.

Next Mr. Noble reviewed the peer comparison document. Implications of the dollar placements will have to be carefully analyzed. It should also be noted that much of the budgetary increase arrived with at least an implied earmarking. That too will need careful analysis.

Brief discussion was held on the RERS (Regents Employee Reporting System) appropriation. Mr. Noble noted such

May 6-7, 1991

information systems are constantly evolving. It should not be viewed as a one-time effort. The staff position placed in the Commissioner's office for two years only to work on the RERS project will probably have to be revisited.

President Norman, Montana Tech, referenced the Regents' number one priority going into the legislative session - to help close the gap with peer institutions on expenditures per student. Noting that Montana Tech slipped backwards from 68% of peer average two years ago, to 63% of peers with this appropriation, he asked Mr. Noble how other units were affected. Mr. Noble responded in this preliminary analysis that percentage goes both ways. Some institutions improve, others do not.

Mr. Noble noted also the legislature's provision of an opportunity for each institution to establish a reversion account with the Board of Regents. The money "recycled" into that account can be used for maintenance and equipment based on a plan filed with and approved by the Commissioner and Board of Regents. The act sunsets in 1996, but does provide some flexibility for campuses to plan for and acquire major equipment items. There is also language in the appropriation act that buffers against lost tuition through decreased enrollment in the event of downsizing, which provides another rare opportunity for planning that has not been available to the System in the past. Responding to a question on establishment of the reversion accounts, Mr. Noble stated community colleges are not state agencies. Whether the authorization to establish such accounts carries to the community colleges is unlikely, but will be reviewed.

Mr. Noble responded to Regents' questions on his report relating to data used in preparation of the Education Commission report, and the percentage of the gap actually

May 6-7, 1991

closed between System units and peer institutions compared to the percentage of closure recommended by that Commission.

Mr. Noble reported also that for several years the System has requested approval of operating budgets be moved from July 1 back to the fall. That change has been placed in the language of the appropriation act; the budgets now have to be approved by October 1. This enables the campuses to more thoroughly complete their operating plans for the coming year in budget development. Campuses will be able to prepare their budgets now using last year's actuals which will certainly enhance the budget information. The quid pro quo is that having been granted the additional time for preparation and approval, the budgets will have to tie to the Regents' Employee Reporting System and the Statewide Budgeting and Accounting System. The budgeting process will be much more narrowly defined; once budgets are approved by the Board there are prohibitions against transfer in some categories.

At the Commissioner's request, Mr. Bill Lannan distributed and reviewed a summary sheet containing the contents of House Bill 5, the Long Range Building Program for the 1991-93 biennium (on file). Mr. Lannan explained the dollars shown for the various projects in the "capital projects funds" column are the cash portion of the LRBP. "Other funds" are auxiliary revenues, plant funds, or donations; the final column lists projects authorized with "bond proceeds." The cash portion, totally \$4+ million is mostly major maintenance projects. There are a number of "authorization only" projects in the bill which will be funded by "other funds." Mr. Lannan noted money was appropriated to begin planning for the MSU Engineering/Physical Science Building and UM's Business Administration Building. Those two major construction projects

May 6-7, 1991

will be funded from bond proceeds, and also require a percentage match from the campuses. The bonds will not be issued until late 1992 or early 1993; construction will not begin until an agreement on pledges for the match is worked out with the appropriate entities.

Mr. Lannan noted the funds appropriated in HB 5 for handicapped access and deferred maintenance were appropriated "to the System". The Regents will have to determine which projects will be funded on the various campuses; there will be a plethora of requests for the meager amount available. The Regents' priority list submitted prior to the session should be reviewed and revised as needed.

Initial Discussion on Downsizing

Commissioner Hutchinson suggested the format be followed wherein he would provide an overview on downsizing; Mr. Noble would present the tuition recommendations; followed by Board discussion. The Board concurred.

Dr. Hutchinson began by stating the funding received from the legislature in the past session does allow the System to make some things whole, and to breathe new life into others. However, the question has to be asked what this all means to the University System. The paramount obligation of the System and all those involved in and with it is to provide the best possible education of the highest quality, given the available resources. The obligation also exists to provide broad access to students, in every definition of the word, within available resources. There is an obvious tension between those two because Montana has always placed a high priority on both. When a decision must be made between those two obligations, which do you choose? Dr. Hutchinson stated from surveys conducted around this state it has been made very clear when there is pressure between those two, the principal

May 6-7, 1991

concern is for quality, even though that may ultimately mean some denial of access, as repugnant as that is to many in this room.

Dr. Hutchinson briefly addressed available resources. Examining the historical pattern of funding in Montana over the last decade, and even further back than that, by any stretch of the imagination one has to consider this year, this funding year, anomalous - relatively flat, very small increases - as Mr. Noble pointed out earlier the 10.1% increase the System will enjoy in the next year of the biennium is the first time in many years the System has enjoyed a double digit increase for higher education. The temptation is to declare victory and go about business as usual.

Dr. Hutchinson noted he has used the analogy recently of comparing the System to a "wounded, starving patient on a broken bed." Some gains have allowed the bed to be propped up; some of the wounds have been staunched through last minute additions in the legislative session. Dr. Hutchinson stated he was not convinced the System received the money needed to provide nutrition to the System. Were amounts of money received for faculty travel? for libraries? for state of the art instructional equipment? support services? technical support? growing communication costs? Putting all of that together, Dr. Hutchinson stated even though the System has been made whole in some areas, there is not enough for the "nutrition" of the System, and there is no real guarantee for the future. In the second year of the coming biennium, the level of growth enjoyed in the first year is not provided.

Realistically then Dr. Hutchinson asked what can be expected. It is probably not responsible to expect the kind of funding provided in the first year of the next biennium to continue. He briefly reviewed the kinds of questions citizens

May 6-7, 1991

and legislators asked when he and the presidents toured the state before the legislative session. Questions were asked about duplication of programs, merger, reassignment of mission at some institutions, proper assignment of resources, and remedial education costs. Collectively these questions betray a feeling of overextension of the University System, and a desire on the part of the people of Montana to try to live within the means available. There was no public outcry for increased offerings or buildings. There is a desire to do more, but not much optimism that the resources will be available.

Dr. Hutchinson continued the opportunity now exists to decouple from the formula, and to see what the System can do better to live within its resources. The Governor and the Legislature has said "this is what we are able to do for you." Now the University System has some obligation to step towards the Governor, the Legislature, and the people of the state and present precisely what it can do, with the fundamental purpose of improving the quality of education. That is the fundamental goal - to improve quality.

Dr. Hutchinson stated given the above analysis, he recommended the System consider downsizing, to be done through the following four basic steps. (1) The Board should go on record as reaffirming the recommendations of the Education Commission for the Nineties and Beyond which drove the System's budget presentation. (2) The campus communities should be charged with the task of examining how they might better live within their means. Given only inflationary increases over the next few years, those communities should be asked what they can do in terms of broad strategies to make the best possible education institution. The Commissioner's office should be charged with examination of ways that quality can be improved and efficiencies achieved Systemwide. (3) A retreat should be scheduled just prior to the next Board meeting for a

May 6-7, 1991

comprehensive discussion of how these goals might be accomplished. (4) At that time, the Regents make a final decision as to whether they wish to move ahead with some kind of contraction effort with the fundamental agenda of improving quality.

Dr. Hutchinson's analysis and recommendations were discussed at length by the Regents and the presidents. Presidents concurred they could provide some very preliminary information by the June 1991 meeting, but urged time be provided for longer term planning. Most members of the faculties are on ten month contracts; intensive planning in the summer months raises very real concern. The importance of Systemwide downsizing was stressed, rather than redistribution of students. Generally, preliminary planning based on the recommendations of the Education Commission, as recommended by the Commissioner, was endorsed. Individual concerns of each of the campuses were expressed, particularly the impact that might occur through announcement of even such preliminary discussion.

Commissioner Hutchinson endorsed the campus comments, particularly that the preliminary information brought to the Board should be very broad in scope. Public hearings must be held. Final closure will not be reached until December 1991 at the earliest. The importance of the statements made to the legislative committee in budgeting hearings that recommendations of the Education Commission are endorsed and will be implemented was discussed.

MOTION: Regent Topel then moved reaffirmation of the recommendations of the Education Commission and directed campuses and the Commissioner's office to move forward as outlined above by Commissioner Hutchinson. The motion carried. June 19, the day prior to the Board meeting in Havre,

May 6-7, 1991

was established as the workshop date for presentation of preliminary plans from each of the institutions in the System.

Presentation of Tuition Recommendations

Mr. Noble distributed and reviewed two handouts, one containing the tuition and fee increase for FY 92-93 for the Montana University System; the second containing the same recommendation for the Vocational-Technical System (on file).

A handout was also distributed on the estimated cost of the pay plan, which contained a minimum or floor of 60¢ per hour for all state employees plus an attempt to address market disparities (on file). Mr. Noble reviewed the costs of meeting the pay plan, noting the estimated shortfall with the market component included is \$1,180,189.00 in the first year of the biennium. Faculty are included in the pay plan. Mr. Noble noted the pay plan bill provides a 3.4% increase for faculty, on the average, and that was not funded.

In the second year of the biennium, an additional 45¢ per hour increase is provided. The cost of paying those salary floors is estimated to be \$9,206,891. The pay plan bill provides \$8,656,000 with no market component. Adding that back in at 15% of the floor amount, the estimated shortfall is \$1,931,925.00.

Subtracting general fund for each year of the biennium from the total cost, \$2,340,189 in additional tuition revenue would be required in FY 92, and \$3,835,925 in FY 93.

Mr. Noble noted the information referred to in discussion of the pay plan bill indicates state employees will receive an average increase of 7.4% the first year of the biennium; 5.2% the second. However, Mr. Noble noted the "average state employee" is evidently a grade 11. In talking with the faculty, the pay plan should not be interpreted to mean they will receive a 7% increase. That is not provided

May 6-7, 1991

even with the additional tuition adjustment.

Next Mr. Noble reviewed the recommended increased tuition for the University System. Registration fees will increase from \$15 per quarter to \$20 per quarter (\$22.50 to \$30.00 per semester). In 1992 tuition is recommended to increase from \$25 per quarter credit hour to \$26 (\$37.50 to \$39.00 per semester) for the first 14 credits. The second year tuition is recommended to increase an additional one dollar with a like increase per semester credit hour. The increased costs to the students in FY 92 is \$57, a 5.6% increase. In FY 93, the projected academic year increase cost per student is \$42, resulting in a 3.9% increase.

Mr. Noble then reviewed the out-of-state students tuition recommendation contained on page 2 of the handout. He reminded the Board of the differential tuitions at the various institutions as shown in the schedule. The projected cost of the out-of-state adjustment would be \$378 per academic year; out-of-state students also pay the in-state rate, resulting in a total increased cost to out-of-state students of \$435, for a 12.4% increase. A 6.5% projected increases for these students is recommended in FY 93.

Mr. Noble discussed where these increases would place the System in relation to its peer institutions, and also discussed the recommended \$1.00 fee to be imposed for purchase of equipment and placed in plant funds. Establishing the fee in this manner guarantees it will be used for equipment, and provides flexibility because of its ability to be carried over from one fiscal year to another.

Mr. Noble explained all of the tuition recommendations have been communicated to student government organizations, and they are fully aware of the recommendations contained in the documents before the Board.

May 6-7, 1991

Chairman Mathers called on the students for comment. Mr. Kirk Lacy, President, Montana Associated Students, responded students are aware of the recommendations, and recognize their responsibility to pay their fair share of the costs of their education. He noted also that the state should be made aware of the students' contribution, and should recognize its responsibility to pay its fair share as well in relation to the System's peer institution.

Presidents were asked to comment on the tuition recommendations. Board policy requiring review of tuition and fee increases in the fall of each year was discussed. It was suggested tuition increase for FY 93 be reviewed at that time when more data will be available. The counterpoint to that suggestion is that under this recommendation campuses will know what funds will be available and will be able to more accurately develop biennial budgets. Mr. Noble suggested that when the tuition recommendation and the equipment fee recommendation are before the Board for approval in June, approval could be given with the opportunity provided for review and revision in the fall for the second year of the biennium.

Dr. Norman, Montana Tech, noted for the record that the suggested equipment fee would help Tech over a long period of time. However, Tech now has an identified ABET accreditation equipment need of \$1.2 million, the bulk of which has to be in place by Fall 1992.. Private sources are the only hope to meet that requirement, even if the equipment fee is imposed as recommended.

Mr. Noble also reviewed the recommended tuition and fee increase for the Vocational-Technical System. That recommendation parallels the recommendation for the University System, however it was noted that all the vo-techs are now on the semester calendar so all recommendations are per semester

May 6-7, 1991

credit hour. The recommendation also projects an increase in the registration fee from \$15 per semester to \$20 per semester; for in-state students, an FY 92 academic year increased cost per student of \$46 (5.8%) is projected; in FY 93 an increase of \$36 (4.3%).

Similar increases for out-of-state students in the vocational-technical system are proposed. In FY 92, out-of-state tuition would increase from \$40 to \$42 per semester credit hour; in FY 93, from \$42 to \$44.

It was also recommended that a \$1.50 per semester credit hour equipment fee be established in the vo-tech system in FY 92, recognizing the importance to the vo-techs of state-of-the-art equipment, and the problems they face in procuring such equipment.

The pay plan allocation for the vo-techs has not been analyzed in the same manner as that of the University System. Mr. Noble noted there may be a 60¢ per hour increase in that allocation, but nothing for market adjustment.

Deputy Commissioner Vardemann noted the Directors have not had an opportunity to share this recommendation with students. She asked they have that opportunity to allow student input before the June meeting. The increased amounts on the recommendation are based on projected enrollments. If the increase causes a decline in those enrollments, that will create a problem.

Hearing no further discussion, it was the Board's direction that the recommended tuition and fee increases for both the Montana University System and the Vocational Technical System be placed on the action agenda of the June 1991 meeting.

NEW BUSINESS

Discussion of Roof and Asbestos Problems

Eastern Montana College

President Carpenter, Eastern Montana College, gave a brief overview of the problems EMC has encountered in

May 6-7, 1991

attempting to gain relief from the State of Montana for removal of asbestos in the Physical Education Building ceiling and to replace the nearly forty year old roof on the same structure. To date, the efforts have been unsuccessful.

The argument of who is responsible to provide funding hinges on the position of the Department of Administration Architecture and Engineering Division that buildings originally built from student building fees should be maintained from student building fees (or at least not from LRBP funds). Information has been provided to the State and to the Regents delineating the history of the P.E. Building at EMC and the change of funding for operating costs from building fees to "general fund" in 1979.

President Carpenter reviewed the summarization of facts contained in his letter to the Commissioner dated October 9, 1990 (on file) provided to the Regents with the agenda material. The primary purpose of the building is instruction. It was built with student fees and given to the State. The building bonds were paid in 1984. By Regent action, building fees were pledged to another bond indenture. The only source of additional revenue for the building's repairs is increased student fees, and those fees at EMC are high.

A committee consisting of staff, students and administrators has investigated imposition of a student fee for the repairs. If such a fee is assessed, the Regents have to approve that fee. Students are present to comment.

Kirk Lacy, President, ASEMC and MAS, spoke to the extensive efforts involved in bringing forward the recommendation they will make to the Board regarding this fee, and tuition and fees in general in the University System.

Mr. Lacy said students are very concerned with this

May 6-7, 1991

issue. They do not believe the best way to convey that concern is through protest, or large numbers attending Board meetings to speak individually. Students do believe it is important the Board recognize how they feel.

Mr. Lacy stated it is important the Board recognize the frustration felt by students throughout the System, not just on the issue of asbestos removal and roof repair before the Board, but with the entire funding issue for the Session. Mr. Lacy referenced the Education Commission's report which told students the quality of their education was in jeopardy. Students tried to present their case in the best way they could to the Legislature. Legislation was offered and in many cases passed to provide the necessary funding; that legislation was vetoed by the Governor. Students feel intense frustration seeing that opportunity slip away. Comments heard in this meeting on how well the System fared in the last legislative session are also frustrating. Perhaps the funding is better than it has been in the past, but a truly serious situation still exists in the minds of students because the amount received is grossly inadequate. That needs to be publicly stated. Mr. Lacy noted as the representative of combined student government, it is his obligation to point out that the current status of Montana's higher education system is not acceptable, and should not be so conveyed to the public. Students are the victims. Students are facing additional tuition and fee increases, the possibility of programs being eliminated, capping or reduction of enrollments, and decreased access. Whether a better quality of education will result has not been proven.

Mr. Lacy distributed a copy of a resolution passed by EMC student government on the EMC Physical Education Building (on file). It basically presents the students' case,

May 6-7, 1991

and sets out plainly that an additional student fee to solve the problem should not be endorsed. As the resolution states, Mr. Lacy said students have historically recognized their responsibility to provide financial support to maintain a quality higher educational system, and to pay their fair share. Students are dismayed by the consistent failure of the State to accept its obligation by repeatedly underfunding its share of higher education costs for the state.

Mr. Lacy reviewed the students' statements of belief contained in the resolution. The resolution concludes that the Associated Students of Eastern Montana College are adamantly opposed to students being required to bear the burden of the state's responsibility in addition to their own. The Student Fees Advisory Committee unanimously opposed this fee. ASEMC stands firmly resolved against establishment of a student fee to finance the renovation of the EMC Physical Education Building and respectfully requests the Board of Regents to reject such a fee and call on state government to begin to contribute its share.

Regent Topel asked if the students had an alternative to simply allowing the building to deteriorate, or wait two more years to try to obtain state funding facing the possibility it might have to be closed. Mr. Lacy stated students were asked before unanimously adopting the resolution if they were willing to accept the possibility that the facility may close. That was considered; the resolution passed unanimously.

After discussion, President Carpenter stated he will bring a recommendation to the Board at the June meeting. If that recommendation is imposition of an additional student fee, however, he wanted the Board to be fully apprised of the depth of student feeling on the issue.

May 6-7, 1991

Commendation to the Commissioner

Chairman Mathers, speaking on behalf of the full Board, publicly expressed thanks to Commissioner Hutchinson for his outstanding work with the legislature. Thanks were also expressed to the presidents for their support of the System approach. Comments from legislators have indicated the approach was appreciated, and worked toward a more successful result for all involved.

Commissioner's Report

Commissioner Hutchinson expressed appreciation to Director Alex Capdeville and his entire staff for their hospitality at this meeting, and for all they have done in assisting OCHE in providing meeting space for several meetings during the past few months. It is sincerely appreciated, and the burden on the Center's staff and facilities is recognized.

Confirmation of Gubernatorial Appointments to Local Executive Boards

Dr. Hutchinson reported a communication was received from the Governor's office providing notice of appointments to Local Executive Boards (on file). It is the responsibility of the Regents to confirm those appointments if there is concurrence.

On motion of Regent Kaze, the appointments were confirmed.

Appointment to MHESAC Board of Directors

Dr. Hutchinson reported the appointment of Regent Kermit Schwanke to the Montana Higher Education Student Assistance Corporation Board of Directors. Mr. Schwanke was appointed to complete the unexpired term of Regent Johnson, who has resigned.

Joint Committee on Postsecondary Education Policy and Budget

Dr. Hutchinson reported that with the passage House

May 6-7, 1991

Bill 142, a Regents/Legislative Committee will be established. The Committee will have two members each from the Montana Senate, House, and the Board Regents. A representative of the Executive Branch will be appointed by the Governor. The Commissioner of Higher Education is also a member of the Committee. The Committee will be staffed by the office of the Legislative Fiscal Analyst; \$66,000 was provided for support of the appointees from the legislature and the Regents to carry out the business of the Committee.

Chairman Mathers appointed Regents Kaze and Topel to represent the Board of Regents on that Committee. Each was appointed to a two-year term.

Presidential Evaluations

Commissioner Hutchinson reported the presidential evaluations being conducted under the new procedures are working very well. The process provides opportunity for wide participation in the evaluations from a variety of constituents. Dr. Hutchinson noted he will schedule discussion of the evaluations with the Board, probably at the August 1991 meeting.

Additional Reports

Commissioner Hutchinson reported on the successful Student Affairs Conference held a couple of weeks ago, which he was able to attend very briefly. It was the first of this type of conference held in the state, and all reports are that it was very well received and is planned to be an annual event. Regents Kaze and Schwanke participated in a panel discussion with student affairs officers and other participants, and attended some of the workshops.

Dr. Hutchison reported also on the statewide Indian Education Conference held last week. Dr. David Toppen and Ms. Ellen Swaney from the Commissioner's Office participated in that conference. Regent Kaze attended representing the Board of Regents. At the Commissioner's request, Regent Kaze gave an overview of the conference, which he felt to be exceedingly

May 6-7, 1991

worthwhile. The Native American community is very interested in the campus action plans on minority achievement which are to be implemented in the Fall 1991. That is anticipated to be a very positive action. Dr. Dennison was honored at the conference for the minority achievement interest on the University of Montana campus. The conference was very well attended.

Vocational-Technical Center Accreditation Reports

At the Commissioner's Request, Deputy Commissioner Vardemann reported the Center's have had three visits from the Northwest Accreditation group; all have gone very well. The preliminary information is that the Centers have moved a long distance towards meeting the suggestions made by the accreditation visitors in previous visits. The systemwide faculty evaluation process designed for the vo-tech centers, implemented this year, received particularly favorable comments.

Report of Dave Evenson, Director of Benefits

Mr. Evenson reported that with the passage of Senate Bill 264, a study has been authorized to be conducted by the Legislative Auditor's office with the intent of determining the System's true unfunded liability obligation to the Teachers' Retirement System. The costs of that study are to be borne by the University System, and are estimated to be somewhere between \$6,000 - \$20,000. A report will be presented to the next legislative session. Several other studies are also being independently made to try to define the issue of the unfunded liability more thoroughly for the System.

Mr. Evenson also distributed and reviewed a table of rates for the System's health insurance plan for the coming year. The Regent-created Inter Unit Benefits Committee, representing faculty and staff at each of the units, met on Friday, May 3. After a lengthy discussion, the table of rates

May 6-7, 1991

before the Board were recommended for the insurance plan for the next year. Costs are increasing at a trend rate of 15.3% per year. To meet future projected costs, the employer contribution will increase by \$20.00/month in FY 92 and FY 93. In addition, contributions from certain categories of active employees will also increase. The retiree rates will increase by a factor of 25%. That is a recognized burden on retirees, but the Committee felt forced to implement the increase. If the retirees paid their true costs to the plan, their rates would raise 78.9%. Active employees do in fact subsidize the retiree plan.

CAMPUS REPORTS

The Presidents of the units of the University System, Community College Presidents, and Vocational-Technical Center Directors reported numerous accomplishments of faculty and students of which the System can be justifiably proud, accreditation and other campus activities, and announced dates and times of commencement activities. The Regents were urged to participate in all commencement activities their time would permit.

The meeting adjourned at 2:15 p.m. The next regularly scheduled meeting of the Board of Regents will be held on June 20-21, 1991 in Havre, Montana. The Regents' Workshop will be scheduled in the same location on June 19. Participants in that workshop will be Regents, Presidents, Vocational-Technical Center Directors, and Community College Presidents.

1434w