

**THE BOARD OF REGENTS
OF HIGHER EDUCATION
Montana University System**

MINUTES

DATE: JULY 8-9, 1993

LOCATION: MONTANA HIGHER EDUCATION BUILDING
CONFERENCE ROOM 102
2500 BROADWAY
HELENA, MONTANA

REGENTS PRESENT: JIM KAZE (CHAIRMAN), CORDELL JOHNSON (VICE CHAIRMAN),
PAUL BOYLAN, SHANE COLEMAN, COLLEEN CONROY, PAT
DAVISON, AND KERMIT SCHWANKE; INTERIM COMMISSIONER OF
HIGHER EDUCATION JEFF BAKER

REGENTS ABSENT: NONE

PRESIDENTS PRESENT: BRUCE CARPENTER (EMC), BILL DAEHLING (NMC), GEORGE
DENNISON (UM), MIKE MALONE (MSU), AND LINDSAY NORMAN
(TECH); PROVOST SHEILA STEARNS (WMCUM); JUD FLOWER
(MCC) AND HOWARD FRYETT (FVCC)

PRESIDENTS ABSENT: DON KETTNER (DCC)

DIRECTORS PRESENT: JANE BAKER (BUTTE VT), GEORGE BELL (BILLINGS VT), ALEX
CAPDEVILLE (HELENA VT), DENNIS LERUM (MISSOULA VT), AND
WILLARD WEAVER (GREAT FALLS VT)

DIRECTORS ABSENT: NONE

THURSDAY, JULY 8

Chairman Jim Kaze called the regular meeting of the Board of Regents to order at 9:00 a.m. Roll call showed that a quorum was present.

Chairman Kaze introduced newly appointed Regent Colleen Conroy from Hardin and welcomed her to the Board.

University of Montana President George Dennison introduced Dr. Sheila Stearns as the new Interim Provost of Western Montana College. Dr. Stearns previously worked at UM as Director of University Relations.

Northern Montana College President Bill Daehling introduced Dr. Karen LaRoe as the college's new Vice President for Academic Affairs. Dr. LaRoe previously served at Fitchburg State College in Fitchburg, Massachusetts, as Assistant Vice President for Academic Affairs.

Chairman Kaze introduced Dr. Fred Gilliard, the new president of the College of Great Falls, and welcomed him to the Board meeting.

COLLECTIVE BARGAINING

Sue Hill, Director of Personnel and Labor Relations, announced that four collective bargaining agreements had been ratified and were being brought forward for Board approval. Ms. Hill said she had sent Board members all the contract changes prior to the meeting, along with brief summaries of those changes.

- ▶ **Regent Pat Davison moved that the Board approve the collective bargaining agreements with the (1) Butte Teamsters' Union Local No. 2; (2) United Vocational-Technical Center Support Staff of Montana, MFT, AFT, AFL-CIO; (3) Montana District Council of Laborers; and (4) International Brotherhood of Electrical Workers.**

Regent Colleen Conroy said she would abstain from any voting during the meeting since she had just been appointed the day before and hadn't had time to adequately review all the material.

The motion passed unanimously.

CONSENT AGENDA

1. Staff Items

- a. Item 80-100-R0793—Staff; The University of Montana
- b. Item 80-101-R0793—Resolution Concerning the Retirement of Laurence H. Berger, Professor of Psychology; The University of Montana
- c. Item 80-102-R0793—Resolution Concerning the Retirement of Ulysses S. Doss, Professor of African-American Studies; The University of Montana
- d. Item 80-103-R0793—Resolution Concerning the Retirement of H. Richard Fevold, Professor of Biological Sciences; The University of Montana
- e. Item 80-104-R0793—Resolution Concerning the Retirement of Philip H. Lutes, Professor of Foreign Languages and Literatures; The University of Montana
- f. Item 80-105-R0793—Resolution Concerning the Retirement of Robert W. McKelvey, Professor of Mathematics; The University of Montana
- g. Item 80-114-R0793—Resolution Concerning the Retirement of Margery Hunter Brown, Professor, School of Law; The University of Montana

- h. Item 80-200-R0793—Staff; Montana State University
- i. Item 80-300-R0793—Staff; Agricultural Experiment Station
- j. Item 80-400-R0793—Staff; Extension Service
- k. Item 80-500-R0793—Staff; Montana College of Mineral Science and Technology
- l. Item 80-501-R0793—Professor Emeritus Status for Professor Donald C. Miller; Montana College of Mineral Science and Technology
- m. Item 80-510-R0793—Degrees on Recommendation of the Faculty, May 15, 1993; Montana College of Mineral Science and Technology
- n. Item 80-500A-R0793—Staff; Montana Bureau of Mines and Geology
- o. Item 80-600-R0793—Staff; Western Montana College of The University of Montana
- p. Item 80-610-R0793—Degrees; Western Montana College of The University of Montana
- q. Item 80-700-R0793—Staff; Eastern Montana College
- r. Item 80-710-R0793—Degrees; Eastern Montana College
- s. Item 80-800-R0793—Staff; Northern Montana College
- t. Item 80-810-R0793—Degrees; Northern Montana College
- u. Item 80-900-R0793—Staff; Office of the Commissioner of Higher Education
- v. Item 80-901-R0793—Recommendation from Physician Incentive Program Advisory Committee—Applicants Carmen Leah Johnson (Sidney); Terry Jones (Forsyth); David M. Kane (Columbus); and Michael Stephen Kornish (Plains); Office of the Commissioner of Higher Education
- w. Item 80-7500-R0793—Staff; Billings Vocational-Technical Center
- x. Item 80-8000-R0793—Staff; Butte Vocational-Technical Center
- y. Item 80-8500-R0793—Staff; Great Falls Vocational-Technical Center
- z. Item 80-9000-R0793—Staff; Helena Vocational-Technical Center
- aa. Item 80-9500-R0793—Staff; Missoula Vocational-Technical Center

2. Capital Construction Items

- a. Item 80-106-R0793—Upgrade Fire Alarm System, McGill Hall; The University of Montana
- b. Item 80-107-R0793—Rankin Hall Handicap Accessibility; The University of Montana
- c. Item 80-108-R0793—Construct Weight Room, Recreation Annex; The University of Montana
- d. Item 80-109-R0793—Modify Storage and Loading Dock, Music Recital Hall; The University of Montana
- e. Item 80-8501-R0793—Conveyance of Easement to Install Cabling Ducts for Telecommunications Facilities to TCI Cablevision of Great Falls; Great Falls Vocational-Technical Center

Interim Commissioner Baker suggested the following amendments to the staff items:

- Item 80-100-R0793 (University of Montana)
On page 2, delete Robert R. Ream.
On page 3, delete Susan Matule.
 - Item 80-900-R0793 (Office of the Commissioner of Higher Education)
On page 2, delete Rebecca Bird.
 - Item 80-8000-R0793 (Butte Vo-Tech)
Delete Danetta Lee.
 - Item 80-9500-R0793 (Missoula Vo-Tech)
Delete page 1, beginning with "Faculty," through page 4.
- ▶ **Regent Davison moved that the Board approve the Consent Agenda items as amended. The motion passed unanimously.**

Regent Davison asked that next year the contract items be submitted to Board members for approval in May rather than July to give them more time for review. He said receiving them in July didn't afford the Board much flexibility to adjust to demands in funding cuts because they were locking themselves into contracts. Regent Davison said they needed that flexibility before the contracts were signed—not after.

Chairman Kaze agreed that Regent Davison's suggestion had merit and suggested the Board work to resolve that issue before May 1994.

Chairman Kaze announced that Jane Baker had been serving as Acting Director of the Butte Vo-Tech Center and recommended a permanent appointment as full-time director effective July 1, 1993, at an annual salary of \$57,000.

- ▶ **Regent Johnson moved that the Board approve Jane Baker's permanent appointment as full-time director of the Butte Vo-Tech Center, effective July 1, 1993, at an annual salary of \$57,000. The motion passed unanimously.**

Before recessing for concurrent committee meetings, Chairman Kaze said the Board would use two committees that day because of the short notice of the new three-committee structure. Regents Coleman, Conroy, Schwanke, and Johnson (chairman) would sit on the Academic and Student Affairs Committee, and Regents Boylan, Kaze, and Davison (chairman) would sit on the Administrative/Budget Committee.

The Board recessed at 9:45 a.m. for concurrent committee meetings.

When the Board reconvened at 1:40 p.m., Chairman Kaze said the Board would hear the committee reports.

COMMITTEE REPORTS

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

1. Announcements

Committee Chairman Cordell Johnson said the Northwest Association of Schools and Colleges had granted initial accreditation at the associate degree level to two of Montana's tribal colleges: Stone Child College at Box Elder and Fort Belknap College at Harlem.

The following Level I changes had been approved by the Commissioner's Office:

- Authorization of the English Language Institute at The University of Montana
- Approval of a name change of an English major subset from "English Teacher Training" emphasis to "English Teaching" emphasis; The University of Montana
- Approval for the Department of Civil and Agricultural Engineering to change its name to "Civil Engineering" and drop its Bachelor of Science and Master of Science degree programs in Agricultural Engineering; Montana State University
- Approval of a request to elevate options to individual Bachelor of Science programs from Bachelor of Science in Renewable Natural Resource Management with two options: Watershed Management and Abused Land Rehabilitation; Montana State University

2. Notices of Intent

Regent Johnson briefly reviewed the notice of intent/submission/action process used for academic items. He said the notice of intent provided a "distant early warning" of proposals for academic changes. When a proposal was brought forward at the next meeting on submission, it would be discussed more thoroughly, and the Board would decide whether it should proceed to the action agenda—the third and final step in the process.

The following notices of intent were submitted for the July meeting:

- a. Montana State University

- Proposal to Convert Approved Four-Year Bachelor of Science Degree in Business with Option in Accounting into Four-Year Bachelor and One-Year Master of Professional Accountancy Degree Sequence
 - Proposal from Department of Computer Science to Offer Teaching Minor in Computer Science
- b. The University of Montana
- Proposal for Major and Minor in Japanese
- c. Montana Tech
- Proposal for Authorization to Establish Environmental Business Opportunities Center
 - Proposal for Authorization to Offer New Minor through the Computer Science Department
- d. Eastern Montana College
- Proposal to Offer New Submajor in BA and BS Degrees under Major in Sociology—New Option in Women and Minority Studies
 - Proposal to Offer Revision of Existing Minor in Political Science with three areas of emphasis—General, Public Administration, and Pre-law
 - Proposal to Offer Master of Science in Information Processing and Communications
- e. Flathead Valley Community College
- Authorization to Upgrade Existing Associate of Applied Science Degree in Business Management: Hospitality Option

Referring to the notices of intent from Montana State University and Eastern Montana College proposing a master's degree in accounting, Regent Johnson said both proposals were concerned with a 1989 law passed by the legislature requiring individuals licensed to become CPAs in Montana to have completed 150 hours of college-level work. He said UM currently offers a master's degree in accounting and would have an opportunity for input prior to the September meeting, at which time all the notices of intent would be discussed in further detail.

3. Action Agenda

- a. Item 80-002-R0793—Paul Douglas Teacher Scholars, 1993-94

Regent Johnson said \$50,000 was available each year (a maximum up to \$5,000 per student) to grant these scholarships to students interested in becoming teachers. If the students decided to discontinue their teacher education, the scholarships had to be repaid. He said the Board of Regents was the agency responsible in Montana for approving and selecting the scholars.

Scholars selected for the upcoming year included Stacey Leigh Allard from St. Ignatius High School; Keeli Lynn Friedrich from Belgrade High School; and Vanessa Sticht from Sentinel High School. First alternate was Windie Kae Freeman from Fairfield High School.

In addition to those recent high school graduates, seven other students requested renewal of their Paul Douglas awards for the 1993-94 academic year: Jill Amundsen, Mindy Hanson, Laura Houtz, Christine Longin, Pamela Nordwick, Amy Thomas, and Kathryn Van Tighem.

- ▶ **Regent Johnson moved that the Board approve the selection of the Paul Douglas Teacher Scholars for 1993-94. The motion passed unanimously.**

- b. Item 80-701-R0793—Admission Requirements/College Preparatory Program; Request for Revision at Eastern Montana College

Regent Johnson said the Board previously approved admission requirements at MSU, UM, and Montana Tech to raise the ACT test score requirement to 22 and the SAT to 920. At that time, the other four-year institutions were given the prerogative, at their discretion, to raise their requirements. This item was Eastern Montana College's request to do that.

- ▶ **Regent Johnson moved that the Board approve Item 80-701-R0793. The motion passed unanimously.**

4. Other

- a. Transfer of Credit Agreement; Helena Vocational-Technical Center and Northern Montana College

Regent Johnson said this information item involved an articulation agreement between the Helena Vo-Tech and Northern Montana College that covered a block transfer of credits of selected automotive courses and general education offered by Helena Vo-Tech toward a bachelor's degree at Northern Montana College. The agreement would be updated yearly as mutually agreed upon by both institutions. Regent Johnson said this agreement was similar to one between Billings Vo-Tech and Northern Montana College. He commended both institutions for putting these types of agreements into place.

Referring to the accountancy proposals, Chairman Kaze said they would be discussed in detail at the September Board meeting. He noted, however, that representatives from EMC, MSU, and UM had asked to speak briefly on the issue.

Dr. Ron Sexton, Academic Vice President at Eastern Montana College, and Dr. Mark Emmert, Provost and Academic Vice President from Montana State University, presented their institutions' perspectives and reasons for requesting the master's degree in accounting to meet legislative intent and students' needs. In response, Provost Bob Kindrick from the University of Montana said the proposals from EMC and MSU were premature. He said the campuses had an agreement with former Commissioner John Hutchinson that more discussion would take place before any proposals were presented to the Board, which was why UM didn't submit its own proposal for a program to be offered on the EMC and MSU campuses through telecommunications. Provost Kindrick said UM would submit that proposal at the September meeting.

Chairman Kaze said much discussion would take place before the September meeting and encouraged the Board members to become familiar with the various proposals.

ADMINISTRATIVE/BUDGET COMMITTEE

1. Submission Agenda

- a. Item 69-003-R0990—Vehicle Regulations and Parking; Montana University System (REVISED 1002.1)

Committee Chairman Regent Davison said this policy was revised to comply with a law passed by the legislature. Chief Legal Counsel LeRoy Schramm asked that an effective date of October 1, 1993, be added to the policy. The fee concerned illegal parking in handicap zones—increasing the fine from \$50 to \$100. Regent Davison said the committee agreed to place this item on the action agenda at the September meeting.

2. Action Agenda

- a. Item 79-001-R0593—Donations; Montana University System (NEW)

Regent Davison said this item was on submission at the May meeting and was being brought forward for action. He said in instances when a contribution was given and made payable to one of the units, questions often arose as to how to deal with the contribution in transferring the funds to a foundation or using the funds. This new policy would take care of those problems.

Regent Johnson said he thought the foundations were supposed to report to the Board periodically, and he couldn't remember hearing from any of them. He said he would like to have some type of informational presentations from the foundations at a future meeting.

Regent Davison suggested the Board extend an invitation to the foundations to make a report at the September meeting summarizing their general activities.

Chairman Kaze asked Commissioner Baker to extend that invitation from the Board through his office before the September meeting.

- ▶ **Regent Davison moved that the Board approve Item 79-001-R0593. The motion passed unanimously.**

b. Item 56-004-R0787—Optional Retirement Program (REVISED 803.2)

Director of Benefits Dave Evenson explained that this policy was being revised to bring it into compliance with Senate Bill 407. The item was on submission at the June meeting and was being brought forward for action.

- ▶ **Regent Davison moved that the Board approve Item 56-004-R0787. The motion passed unanimously.**

c. Item 11-006-R0376—Application Fee; Montana University System (REVISED 940.2)

Regent Davison said that revising this policy would allow the six units to increase the current \$20 student application fee to \$30. During its discussion, the Administrative/Budget Committee requested Commissioner Baker and Associate Commissioner for Fiscal Affairs Rod Sundsted to look at the exact costs involved in processing these applications so that the application fee could accurately reflect those costs. Regent Davison said he thought the fee should be higher, and Regent Boylan opposed raising the fee. The change would become effective September 1, 1993.

- ▶ **Regent Davison moved that the Board approve Item 11-006-R0376. The motion passed—Regents Boylan and Coleman voted no.**

d. Item 5-002-R0774—Late Registration Fee; Montana University System (REVISED 940.4)

Regent Davison said revising this policy would allow the six units, at their discretion, to charge a \$40 late registration fee for students who had not enrolled in classes within 15 days after the classes had begun. This fee would be in addition to the initial \$40 late fee. The change would become effective September 1, 1993.

Chairman Kaze pointed out that EMC's current policy didn't allow any students to enter a program after 15 days.

- ▶ **Regent Davison moved that the Board approve Item 5-002-R0774. The motion passed unanimously.**
- e. Item 58-7003-R0388—Late Registration Fee; Montana Vocational Technical System (REVISED 971.4)
- ▶ **Regent Davison moved that the Board approve Item 58-7003-R0388. The motion passed unanimously.**
- f. Item 80-001-R0793—Inventory and Validation of Fees; Montana University System
Item 80-7001-R0793—Inventory and Validation of Fees; Vocational-Technical System

Chairman Kaze pointed out that Board approval of these items was subject to the passage of some of the fee items on the agenda and some minor amendments that Rod Sundsted had pointed out.

Mr. Sundsted said once all the fees were established, he would print a final version for the Board.

- ▶ **Regent Davison moved that the Board approve Items 80-001-R0793 and 80-7001-R0793 as presented at that time. The motion passed unanimously.**
- g. Item 80-111-R0793—Special Fee, School of Law; The University of Montana

Regent Davison said that to combat accreditation problems, the University of Montana was requesting that the special fee charged to students of the School of Law be adjusted, and the additional revenue from the proposed increase go toward faculty salaries, law library improvements, and clinical program needs. Regent Davison said the committee's consensus was to support Commissioner Baker's recommendation that the fee be approved, but that none of the additional revenue raised by the fee increase be used for faculty salaries. The committee was concerned with sending a wrong message to the rest of the system's faculty.

Regent Johnson said it was extremely important to maintain School of Law accreditation. He referred to a public suggestion made by a legislator to eliminate the law school at UM and said the Board needed to affirm its support of the school.

- ▶ **Regent Davison moved that the Board approve Item 80-111-R0793 with the amendment that none of the additional revenue raised by the fee increase be**

used for School of Law faculty salaries but instead for the other identified areas of need at the School of Law. The motion passed unanimously.

- h. Item 80-115-R0793—University Center Renovation Fee; The University of Montana

Regent Davison said this request would increase a student fee from \$1 per credit hour up to a maximum of \$10 per credit hour. J.P. Betts, UM's student body president, reported that UM's students were in favor of the fee.

- ▶ **Regent Davison moved that the Board approve Item 80-115-R0793. The motion passed unanimously.**

- i. Item 80-502-R0793—Authorization to Charge Student Activity Fee to Students Enrolled for Less Than Seven Credits; Montana College of Mineral Science and Technology

Regent Davison said this request would charge a fee to part-time students—except for those taking less than four credits. Pat Gannon, Montana Tech's student body president, said Montana Tech's students were in favor of the fee.

- ▶ **Regent Davison moved that the Board approve Item 80-502-R0793. The motion passed unanimously.**

- j. Item 80-503-R0793—Authorization to Expend Equipment Fee Allocation for Instructional Purposes; Montana College of Mineral Science and Technology

- ▶ **Regent Davison moved that the Board approve Item 80-503-R0793. The motion passed unanimously.**

Regent Davison said Board policy 940.26 required the Board to authorize expenditures of equipment fee allocations for projects exceeding \$25,000. The committee recommended that Commissioner Baker and Rod Sundsted review that policy to see whether the \$25,000 figure was unreasonable and perhaps too low. The units thought the expenditure limit should be changed.

- k. Item 80-702-R0793—Building Fee; Eastern Montana College
Item 80-703-R0793—Student Health Fee Increase; Eastern Montana College
Item 80-704-R0793—Student Union Use Fee; Eastern Montana College

Regent Davison said these items reflected adjustments for cost-of-living increases. Todd Mitchell, EMC student body president, said the students were in favor of these fee increases.

- ▶ **Regent Davison moved that the Board approve Items 80-702-R0793, 80-703-R0793, and 80-704-R0793. The motion passed unanimously.**

- l. Item 80-3002-R0793—Tuition and Fees; Flathead Valley Community College

- ▶ **Regent Davison moved that the Board approve Item 80-3002-R0793. The motion passed unanimously.**

- m. Item 80-003-R0793—FY94 Pay Plan Allocation; Montana University System

Regent Davison said this item had been presented by Rod Sundsted. It represented the proposed allocation of \$605,746 of General Fund and \$293,708 of tuition, federal, and other funds to the University System to implement the increase of the employer contribution for insurance from \$190 to \$210 per month in FY 94 for each eligible employee as the result of House Bill 198.

Regent Schwanke asked whether it included the 1.5 percent pay increase.

Mr. Sundsted said that didn't go into effect until January 1995, and this item covered FY 94 only.

- ▶ **Regent Davison moved that the Board approve Item 80-003-R0793 as presented. The motion passed unanimously.**

- n. Item 80-112-R0793—Purchase and Installation of All Campus Card System; The University of Montana

Regent Davison said this request concerned the first phase of a campus-wide card system. A single card would be used for applications such as identification, security access, and food service, among others. It would be funded with auxiliary funds, and no state dollars would be involved.

- ▶ **Regent Davison moved that the Board approve Item 80-112-R0793. The motion passed—Regent Boylan voted no.**

- o. Item 80-113-R0793—Authorization to Proceed, Series 1993 Refunding and New Money Issue; The University of Montana, Missoula, and Western Montana College of The University of Montana, Dillon

Regent Davison said this issue involved a bonding and basically a refinancing. The University of Montana said that with today's interest rates it made sense to look at the current level of indebtedness, refinance that at a lower rate, take advantage of the tax opportunities and the legalities involved in bonding, expand some of the

campus's services and facilities, do some deferred maintenance, and solve some other problems with existing facilities. The request also proposed expanding parking facilities through the purchase of land; building, expanding, and improving student housing facilities; solving asbestos problems in the University Center; and dealing with ADA problems.

Regent Davison said the issue had generated a lengthy discussion in the committee meeting. He said no one criticized the merits of what UM was trying to do. The realities of the state's financial situation, however, had to be considered along with the perceptions of whether the time was right for new construction. Regent Davison also pointed out that the background material for the item was extensive, and the committee felt the Board needed more time to become more familiar with the proposal before taking any action. He said the committee recommended postponing the item until the September meeting.

After a brief discussion, Chairman Kaze said Item 80-113-R0793 would be deferred to the September meeting. In the interim, he suggested the Board members review the request more closely and explore any other options that might be available.

- p. Item 80-201-R0793—Authorization to Sell Certain Property under the Control of the Agricultural Experiment Station at Montana State University; Authorization to Enter into Negotiations to Purchase Certain Property located in Hill County; Montana State University

Regent Davison said this item represented an exchange of properties. MSU had property in one location that was not being used to benefit the university. The university wanted to sell that property and use the funds to purchase another piece of property that would be more useful.

Regent Davison moved that the Board approve Item 80-201-R0793.

Regent Kaze said he would abstain from voting on this item because of a potential conflict of interest involving his law firm.

- ▶ **Regent Davison's motion that the Board approve Item 80-201-R0793 passed unanimously.**

- q. Item 80-202-R0793—Authorization to Sell a House Located on the Central Agricultural Research Center at Moccasin; Montana State University

- ▶ **Regent Davison moved that the Board approve Item 80-202-R0793. The motion passed unanimously.**

- r. Item 80-3001-R0793—Resolution of the Board of Regents of Higher Education of the State of Montana Approving the Issuance by Flathead Valley Community College District of Its General Obligation Refunding Bonds; Flathead Valley Community College

Regent Davison said this resolution was adopted by Flathead Valley Community College's Board of Trustees and represented nothing more than a refunding, again taking advantage of the change in interest rates.

- **Regent Davison moved that the Board approve Item 80-3001-R0793. The motion passed unanimously.**

- s. Item 80-902-R0793—Resolution Regarding Montana Student Loan Building; Authorizing and Approving Amendments to the Leases with Respect Thereto for the GSLP and Commissioner's Office; Authorizing and Directing the Execution and Delivery of Documents; Montana Higher Education Student Assistance Corporation

Regent Davison said this was another refunding issue for the Board's approval.

Chairman Kaze pointed out that this item concerned the building in which the Commissioner's Office was housed. The existing bond issue had a balloon built into it for 1998. By refunding the issue, not only would they get to take advantage of about \$285,000 in interest savings, but they would stretch it out to 2008, at which time it would pay out. By doing so, they would not be burdened with a refinancing obligation at the end of 1998 in an uncertain market.

- **Regent Davison moved that the Board approve Item 80-902-R0793. The motion passed unanimously.**

3. Other

a. Audits

Regent Davison said this was an information item. Audit reports (on file) had been received for Montana Tech, Western Montana College, Eastern Montana College, and Flathead Valley Community College. He said that Western and Eastern Montana colleges had received letters of commendation from some legislators.

b. Board Policy 940.23 - Computer Fee; Montana University System

Commissioner Baker said student representatives and the Board had asked the Commissioner to examine this policy to decide whether it should be changed. According to the policy, as much as 10 percent of computer fees can be allocated for systemwide use. The students objected to the 10 percent being used in the

Commissioner's Office instead of on the campuses. Commissioner Baker said his office would use only 5 percent this year and release the remaining 5 percent to the campuses.

c. Submission/Action Process for Board Items

Regent Davison said the Administrative/Budget Committee had recommended that the Board have more time to become informed on issues brought before them. The members suggested that any items brought before them proceed through a submission/action process; i.e., submission at one meeting and action at the following meeting if necessary. At the present time, Administrative/Budget Committee items—except for policy changes and new policies—were placed directly on the action agenda.

Chairman Kaze said the Commissioner's Office would play a key role in deciding which items were more routine and didn't require the two-meeting decision process.

OLD BUSINESS

1. Millage Distribution

Associate Commissioner for Fiscal Affairs Rod Sundsted said that during the July 1992 special session, House Bill 2 included a section allowing any millage exceeding \$12.1 million collected from the statewide six-mill levy during FY 93 to be appropriated to the Commissioner's Office for distribution to the campuses. After discussion at the June 1993 Board meeting, a consensus was reached for the excess millage to be allocated in a manner that would address financial difficulties at some of the units and not necessarily be allocated in an across-the-board manner. Mr. Sundsted said they had just received notice that the amount would be about \$1.8 million. He said the Commissioner's Office would begin working with the campuses the following week to come up with some type of distribution to bring to the Board at the next meeting.

2. Discussion of Community Colleges as State Agencies

Chief Legal Counsel LeRoy Schramm said the community college presidents wanted the Board to consider whether the community college districts might be better structured or organized. The consensus in the Commissioner's Office and even among the college presidents was that any resolution of the issue would probably have to wait until after other system restructuring decisions were made.

As background, Chief Counsel Schramm briefed the Board on how the community college districts were organized and explained their role in comparison to the six units and the five vo-techs. He said any ultimate change in their structure

probably would require the Board recommending a statutory change to the legislature.

Chairman Kaze said he wasn't sure whether the time was right to launch into a lengthy discussion of the issue.

Jud Flower, Miles Community College President, said the community colleges had been omitted from the pay plan again by the legislature. Since this wasn't always consistent, the colleges encountered planning problems. He said they weren't considered as local entities either since all local school districts were exempted from I-105, but the community colleges weren't included. He said they simply wanted some clarification that would be binding on the legislature so the colleges would be clear on whether they were in or out of the state pay plan, or in or out of I-105 limitations.

After further discussion, Chairman Kaze asked the Commissioner's staff to make that issue an agenda item for the Board's June 1994 workshop, at which time they would begin setting the legislative agenda.

At 3:30 p.m., Chairman Kaze said the Board would recess until the following day.

FRIDAY, JULY 9, 1993

PRESIDENTIAL EVALUATIONS

The Board met in executive session beginning at 7:45 a.m. to conduct evaluations of President Bruce Carpenter, Eastern Montana College; President Bill Daehling, Northern Montana College; President George Dennison, University of Montana; and President Lindsay Norman, Montana Tech. At the presidents' request, Chairman Kaze ruled that the evaluations would be closed to the public because the presidents' rights to privacy outweighed the public's need to know.

The Board reconvened at 10:30 a.m. Chairman Kaze called the meeting to order and said they would begin with "New Business."

NEW BUSINESS

a. Appeals

- Julie Fournier - Appeal regarding Western Undergraduate Exchange (WUE) Residency Status at University of Montana
- Butte Vo-Tech Students - Appeal regarding tuition refunds for discontinued programs

For the benefit of the new Board members, Chief Legal Counsel LeRoy Schramm briefly explained the appeals procedure.

Chief Counsel Schramm said copies of the documentation for the appeals had been mailed to the Board, and the Board had the option of (1) scheduling the matter for a hearing at the next meeting with both sides present; (2) reject the appeal and thereby uphold the Commissioner's decision; or (3) grant the appeal.

- ▶ Concerning the Fournier appeal, Regent Johnson said he had reviewed all the material and moved that the Board deny the appeal, thereby upholding the Commissioner's decision. The motion passed unanimously—Regent Schwanke abstained.
- ▶ Concerning the Butte Vo-Tech students' appeal, Regent Johnson moved that the Board deny the appeal, thereby upholding the Commissioner's decision. The motion passed unanimously.

b. Minority Action Plan Updates

Chairman Kaze noted that the Board members had received these plan updates from the five vocational-technical centers. He said the updates were informational and asked Ellen Swaney, Director of Minority Achievement, if she had any comments. Chairman Kaze said several years ago the Board had asked each campus to develop minority achievement action plans. These updates continued that process.

Ms. Swaney distributed a handout to the Board (on file) that showed the number of minority students in the University System this year (from fall enrollment counts). Of 4,908 minority students statewide, 4,200 were American Indian. Ms. Swaney said that count had increased quite a bit from two years ago.

Chairman Kaze thanked Ms. Swaney for her update.

STUDENT REPORTS

UM student body president J.P. Betts said he wanted to thank the Board of Regents for responding to the students' request for a change in the fiscal year percentage in the computer fee policy. He also said that MAS (Montana Associated Students) would be active in any upcoming special session.

CAMPUS REPORTS

Eastern Montana College President Bruce Carpenter said EMC had received notification from the Committee on Rehabilitation Counseling that the college's program had been recommended for positive action on reaccreditation. He said Eastern also had been notified that the college was selected as one of two

universities/colleges throughout the country to pilot a software program on library cataloging because of its work in library automation.

Helena Vo-Tech Director Alex Capdeville said the Helena Vo-Tech had responded to an RFP from the state to conduct all its computer training and had been awarded that contract.

Chairman Kaze said he wanted to wish Don Kettner, Dawson Community College President, a speedy recovery from the surgery he was having that day.

COMMISSIONER'S REPORT

Commissioner Baker said he had been asked by Chairman Kaze to report briefly to the Board about several past studies made of the University System.

Commissioner Baker said he would discuss the following reports in the context of (1) governance, (2) program, and (3) service:

- a report titled "Issues in Montana Higher Education" (on file) presented to the Board of Regents in October 1986 by the Commissioner's Office
- a September 1990 report titled "Montana Higher Education in the Nineties" (on file) prepared by the Montana Education Commission for the Nineties and Beyond
- a "Commitment to Quality" report (on file) presented to the Board of Regents in December 1992 by the Commissioner's Office
- a report titled "A Study of the Administrative Structure and Expenses of the Montana University System" (on file) prepared by MGT of America, Inc., and presented to the Board of Regents in March 1993

Commissioner Baker said that after reviewing all the reports, he had several brief remarks.

- The issues involved were issues of major public policy proportions.
- Concerning vision, they needed to be making structural decisions in the context of longer-range goals.
- Savings typically would be longer-term savings.
- They had to clearly understand and articulate what they meant in terms of tradeoffs in access, quality, and price—they couldn't be all things to all people.
- They had to demonstrate accountability to the legislature, the executive branch of government, the students and, most importantly, the people of Montana.
- Although some suggestions may not be popular, the state's realities had to be considered.

- They needed to communicate that education was an investment that would show a future return both to the individual and to society.

Chairman Kaze thanked Commissioner Baker for his remarks and asked for comments.

The discussion that followed highlighted the following issues:

- student access versus quality of education
- enrollment management playing a key role
- communicating to the public and the legislature where the future of higher education was headed
- not being reactionary but instead coming forward with a systemwide plan
- short-term versus long-term options and the impacts of those options
- the importance of including the people of Montana and the students in any restructuring plan
- keeping the revenue as well as the expenditure side in mind
- having a clear vision and overall purpose for restructuring
- the ramifications of increased enrollments in two-year institutions
- the lack of studies conducted solely on Montana's two-year institutions

Chairman Kaze thanked everyone for their comments and said he would expect much discussion to take place on the restructuring issue before a proposal was presented to the Board at the next meeting.

Before adjourning, Chairman Kaze reminded Board of Regents members also sitting on the MHESAC Board that a conference call meeting was scheduled for 1:30 p.m. He said Regent Conroy would also sit on that board, but he was making her appointment effective July 15.

Chairman Kaze adjourned the meeting at 12:20 p.m.

