



MINUTES

Montana Board of Regents

Office of the Commissioner of Higher Education
2500 Broadway, Helena, MT
August 3, 2009

Monday, August 3, 2009

The board convened at 10:00 AM.

Roll call indicated a quorum was present.

Regents present: Regent Stephen Barrett, Chair, Regent Clay Christian, Vice Chair, and Regents Lila Taylor, Lynn Hamilton, Janine Pease, Todd Buchanan, and Robert Barnosky. *Ex-officio* members Commissioner of Higher Education Sheila Stearns, and Superintendent of Public Instruction Denise Juneau were in attendance. Governor Brian Schweitzer, *ex-officio*, was represented by Dan Villa, Education Policy Advisor.

Regent Pease moved approval of the minutes from the May 13, 2009 Budget and Administrative Affairs Committee meeting, May 18, 2009 Academic & Student Affairs Committee meeting, May 28-29, 2009 Board of Regents meeting and the June 18, 2009 Board of Regents conference call meeting. Motion passed 7-0.

Chairman Steve Barrett opened the meeting by explaining the impetus behind the Commissioner's creation of the Leadership Council. He addressed the groups of MUS leaders at their meeting on July 23 about the common challenges facing the Montana University System (MUS) and other state systems and reminded the Council that the MUS is facing a funding "cliff" in the very near future resulting from the one-time-only stimulus funds and the budget shortfalls. Chairman Barrett said the university system will need to reinvent what we do and how we do it, which will be the charge for the next two years and beyond. The United States is not keeping up with other industrialized countries in higher education attainment and with President Obama's expansion of two-year education. Montana must make a focused, coordinated effort to earn a share of available federal funding. The Making Opportunity Affordable (MOA) grant, sponsored by the Lumina Foundation, has been beneficial in the expansion of two-year education, but Regent Barrett cautioned that grants will not keep the MUS from a potential funding crisis. President Obama's and the MUS' goal means that by 2020 the MUS will need to assist 25,000 more people to attain a degree in higher education in Montana than are projected to earn them during that time period. Regent Barrett clarified that reform is not what can be cut, but instead what is needed are fundamental changes enhancing efficiency. Regent Barrett stressed that in order to survive in the future, the MUS needs to prepare for when the stimulus money no longer exists.

Chairman Barrett stated that the board will be asking the campuses to participate in a systematic mission review, by describing their respective profiles, focuses, and partnerships, and areas of special excellence in a standard format, an inventory that will become the foundation for renewable memorandums of understanding between the



campuses and the Board of Regents.

Chairman Barrett emphasized that providing high quality education will remain imperative, but growth in the university system must be more calibrated in the future. He clarified that the purpose of the inventory is to define more specifically what the campuses are currently doing, what the scope of their mission is, and how that scope aligns with the Regents' strategic planning priorities.

Commissioner Sheila Stearns explained the formation of the MUS Leadership Council, which includes leadership from OCHE and from all the campuses, including the community colleges. The Leadership Council meetings are an effort to share the leadership of the MUS with the campuses and to approach in concert the challenges looming ahead. Commissioner Stearns said the campus mission review documents and system dashboard processes will be educational for the campuses and regents. The resulting information will include data components and will assist the regents in system-wide decision-making. She clarified that the documents will be completed in phases, with the two flagship institutions to be completed first, followed by the regional comprehensive campuses, and the two-year campuses as the final step.

Deputy Commissioner Moe added that campus uniqueness is a concern to campuses and will need to be discussed.

Regent Christian requested a short timeframe for completion of the first phase of the document. Commissioner Stearns said the first phase for UM-Missoula and MSU-Bozeman will be presented to the regents at the November 2009 board meeting for discussion and action.

ACTION

a. Fee Deferment Policy Revision; OCHE ITEM 144-102-R0809

Deputy Commissioner Mick Robinson said the intent of this item is to allow more flexibility with payment plans for students and to remove the exact dollar amount for the system-wide fees related to payment plans. System-wide fees will continue to be approved in the tuition and fee process every two years.

Regent Lila Taylor questioned the practice of charging students a fee for administrative costs of a payment plan when the student can't afford to pay the regular tuition and fees. Deputy Commissioner Robinson explained that there is an administrative cost to delaying initial payment by the students.

Commissioner Stearns told the board that the Student Assistance Foundation (SAF) is working on a product that will make it possible for students and their families to make monthly payments on their education costs rather than one large total payment at the beginning of the semester. She said many other states have implemented this and have found that it has diminished some of the reliance on loans.

Regent Lynn Hamilton asked if SAF and Montana Guaranteed Student Loan Program (MGSLP) have considered centralizing more of the loans and fee payments. Deputy



Commissioner Robinson replied Bruce Marks, Director of MGSLP and Jim Stipcich, Executive Director of SAF, have discussed this issue. He said they are waiting to see what the final piece of legislation regarding the student loan industry is before moving forward with a decision on centralization.

Bruce Marks verified that Jim Stipcich and he are very willing to share and consolidate some duties if it is for the good of the students and improves efficiencies.

Commissioner Stearns said a best practice that may need to be revisited is the consideration of using call centers to reach students who are struggling either academically or financially. Nationally, data indicate these can be very effective and efficient in retention efforts.

Regent Christian said the campuses should not turn this convenience for the students (payment plans) into a source of revenue for the campuses. He added that he is opposed to creating a new revenue source. Deputy Commissioner Robinson clarified that the fees in this item are existing fees.

Regent Hamilton said the business office function should be a basic function of the campuses. She recommended the regents continually look at fee issues and that they should decide what fees are specifically supporting and whether the costs should be part of the regular budget instead of a separate fee.

Regent Christian suggested possibly increasing the penalties for nonpayment instead of having an initiation fee.

Regent Taylor said if the board is serious about fundamental change, then they need to change the mindset and look at the overall system of fees. The regents concurred.

Regent Taylor moved approval of item a. Motion passed 7-0.

- b. Approval and Authorization to Execute and Deliver Series I and Series II Water Improvement Bonds; UM-Missoula ITEM 144-1001-R0809

Deputy Commissioner Robinson explained that this item addressed the relationship between The University of Montana-Missoula and the Mountain Water Company, which is concerned about back-flow issues from the campus. Although UM-Missoula has invested some money to address this, the water company has begun to put pressure on UM-Missoula to do more. Deputy Commissioner Robinson got involved during the 2009 legislative session to obtain stimulus funds to address this. UM-Missoula has been working with the Montana Department of Environmental Quality (DEQ) in the process of acquiring stimulus dollars for this project. DEQ said this needs to be done in the form of a bond. A portion of the bonds (\$416,000), will be forgiven when the project is completed. UM-Missoula will devote \$325,000 to this. If the project cost exceeds that amount, UM-Missoula will not be required to re-do the bond.

Rosi Keller, UM-Missoula, stated, via conference phone, that this is an opportunity to bring a solution to this process. UM-Missoula is making sure that DEQ, the



Department of Natural Resources and Conservation (DNRC), the water company and UM-Missoula all signify approval on each step in the process. If the project is completed and UM-Missoula complies with the requirements, the Series I bonds will be refunded. The Series II bonds are at a very attractive interest rate. Ms. Keller explained that this project is at the point where the UM-Missoula water system and the water company meet.

The water company believes this is the responsibility of UM-Missoula. Regent Christian said the water company is correct; this all has to be done by the land owner.

Regent Christian moved approval of item b. Motion passed 7-0.

- c. Certificate of Applied Science in Energy Technology; MSU – Great Falls, MSU – Northern, MSU – Billings College of Technology, and Montana Tech College of Technology ITEM 144-2851-R0809

Commissioner Stearns explained that this item had been removed from the consent agenda to allow discussion on the item.

Dan Villa, Governor's Education Policy Advisor, commended the MUS for its response to the workforce initiative and for providing training opportunities in response to market demands. He cautioned that, as the initiatives come forward, they should be advanced in conjunction with apprenticeship programs already in operation as much as possible. Mr. Villa stated he would like these to progress more seamlessly.

Regent Barrett clarified that this particular program does not duplicate an apprenticeship program that is already in practice.

Regent Hamilton asked if this is a union apprenticeship problem with a possible conflict in the future. Mr. Villa responded there is the potential for conflict between the institution and the existing union apprenticeship programs.

Deputy Commissioner Moe said there is currently not a conflict on this item, but as the program evolves, the campuses will need to keep in touch with apprenticeship programs. She stressed that this is a request for expedited approval. Because of the industry demand for the energy workforce, the proposal expedites the usual approval process with the regents so that the program can be implemented as quickly as possible. Deputy Commissioner Moe said the campuses have collaborated on this program in a very short timeframe and have ensured an alignment of program requirements that will help high school students throughout Montana to prepare for entry into the program.

Dean John Garric, MT Tech College of Technology, added that residential wind turbines will become common in the future and that it is important to get started now. He stated that the campuses need to be mindful of union apprenticeship programs and that the campuses are willing to work together with the unions.

Regent Hamilton moved approval of item c. Motion passed 7-0.



Regent Hamilton asked about the involvement of the Statewide Investment Board (SWIB) with apprenticeship programs such as these. Deputy Commissioner Moe responded that collaboration is still happening and cited the example of the recent agreement between MSU-Northern and a plumbing apprenticeship program.

Commissioner Stearns said the workforce development committee of the Leadership Council can also address these types of issues in preparation for Board review or direct campus action.

CONSENT

- a. Policy Revisions; OCHE ITEM 144-101-R0809
- b. Staff Item; MSU-Northern ITEM 144-2800-R0809
- c. Appointment of Motorcycle Safety Advisory Committee; ITEM 144-103-R0809
- d. Naming of Campus Greenhouse; MT Tech ITEM 144-1501-R0809
- e. BOR Action Clarification: U.S. Yellow Ribbon Program

Regent Hamilton moved approval of consent items a-e. Motion passed 7-0.

Board Planning Session

- Making Opportunity Affordable (MOA) Initiative – Next Steps

Deputy Commissioner Moe explained the goals for the next step in the MOA initiative.

1. Increase enrollments at two-year colleges
2. Increase completions of valuable credentials
3. Increase transfer rates and successful completion of four-year degrees
4. Create efficiencies to make college more affordable for students and the state
5. Assure quality and value in two-year programming

Goal 1 - Deputy Commissioner Moe told the board it is a significant challenge to increase adult enrollment; however, it is imperative to reaching our constitutional goal of tapping the full potential of all citizens.

Goal 2 – To increase completions of valuable credentials is a matter of readiness. Are we preparing high school students well enough to ensure that when the students arrive, they are appropriately prepared? Moe said the responsiveness to regional needs is critical, but when preparing students for particular careers and degrees, there is too much difference in what is required campus by campus throughout the system. While the skill set is the same, the range of course work required throughout the system varies tremendously. Deputy Commissioner Moe said we cannot create a comprehensive system for high-school-to-college transitions because of the broad range of courses that the collective campuses require in the same degree fields.

Deputy Commissioner Moe added that this alignment is also a matter of fairness to the students. She said it is very important that the academic officers think beyond the uniqueness of each campus to what will work best for our customers, the students, and the image of two-year education in the state.



Goal 3 – Deputy Commissioner Moe said that this needs to be the top priority. Increasing the transfer rates, to which goal the common course numbering process is vital, will help students transfer courses on a course-by-course basis, but until we create a one-year program or study with a certificate recognizing completion of that program or study, we will not be able to promote the completion and the quality of transfer credentials the way that other states have. She explained that participating Montana two-year colleges will develop a certificate program for the Universal Transfer Core, which may consist of 15-20 of the most frequently offered general education classes. Tuition incentives for completion of a recognized credential, such as the universal core or an associate degree, will improve degree completion rates and successful transfer to four-year colleges.

Goal 4 – Deputy Commissioner Moe said Montana’s two-year colleges need to collaborate and coordinate to expand access and share resources in ways that will create efficiencies and promote affordability. She recommended developing a virtual community college through a consortium approach, inviting participating two-year colleges to offer their portable programs and services to a virtual community college. This project will be done by partnering with the virtual high school initiative, which was initially funded by HB 645. Deputy Commissioner Moe said the first step in this process will be to move all the community colleges into the same Banner software system as the rest of the MUS. It would be ideal if tribal colleges would also commit to an integrated Montana information system. By doing so, the data warehouse would allow all two-year colleges in Montana to develop a standardized data structure and to take advantage of centralized institutional research and services.

Goal 5 – Statewide performance goals will be developed for expanded access for target populations and for increased transfer and persistence toward a degree or certificate. Deputy Commissioner Moe said performance-based funding for two-year colleges will also be pursued.

Deputy Commissioner Moe reminded the board that the MUS is last in the nation for the completion of degrees and it is, therefore, imperative for Montana to attach value to the degrees.

Regent Hamilton recommended identifying the curriculum completed by the largest number of students and working with those courses when helping high school students prepare for entrance into higher education. She added that many of those courses should be dual enrollment classes. Regent Hamilton said it is disheartening for parents and students when they think they’ve taken the required courses, then find out it is not the same for each institution.

Deputy Commissioner Moe spoke on efficiencies, such as having common requirements that give students options for expediting their progress toward credential and give campuses more options for remaining sustainable. She stated that the data component has been a challenge because it has been extremely difficult to get consistent data for each of the two-year campuses. The integration of the IT shared resources will be beneficial for the students, OCHE, and the campuses.



Deputy Commissioner Moe asked for guidance from the regents regarding the transfer core, tuition incentives and how to handle the embedded colleges of technology (COTs).

Commissioner Stearns told the board it would be helpful in developing the virtual community college to have a streamlined two-year college transfer core that is available online without unnecessary duplication or confusion.

Regent Hamilton asked how involved the four-year campuses will be in the development of this two-year transfer core. She stressed the importance of the ability of students to transfer from the merged COTs to the four-year main campus. Regent Hamilton said the board needs to do what is in the best interests of the students.

Deputy Commissioner Moe responded that in the situations where the embedded two-year campus provides the universal transfer core, it is likely that the student will transfer to the co-located campus, and because both campuses are part of the same institution, the degree itself will come from the institution. She added that a fundamental mission of the two-year campuses, and a crucial MOA initiative in our state is transfer.

Deputy Commissioner Moore said this was also addressed at Leadership Council.

Regent Christian said the system should be able to figure out where the commonalities are and go forth with those identified efficiencies.

Deputy Commissioner Moore said in the past, a majority of students have been allowed to do their own advising on transfer and, in two-year settings especially, more directed advising is needed. Campuses may have to take a more active role in the advising of students from high school through college.

Regent Pease said parents and students (our customers) get lost in the current system. She said it is imperative for the sake of the students for the MUS to agree on a universal core. Progress will be impeded until this is developed.

Commissioner Stearns agreed with Regent Pease and said the board and MUS are trying to reinvent and reform two-year education for the sake of the students, but also for the sake of the adults. She added that if this is not done, the university system cannot educate 25,000 more students for the same amount of money. Commissioner Stearns asked Deputy Commissioner Moe to clarify what she needs from the regents at this time in order to proceed with the reform of two-year education.

Deputy Commissioner Moe responded that it is important for OCHE to communicate to the MUS and the public the Board of Regents' intent. She said the campuses are wondering if this is going to be a big change, in what form, and what the intent is.

She said key components are: the support of the Board of Regents of the full two-year mission, including the transfer, workforce, and readiness programming at every campus. She clarified this includes all the two-year campuses as well as MSU-Northern and UM-Western.

Deputy Commissioner Moe requested input from the regents on the following points:



- We need to bring the full two-year mission, including the transfer, workforce, and readiness programming at every campus. She clarified this includes all the two-year campuses as well as MSU-Northern and UM-Western.
- There needs to be better coordination of related instruction, the transfer core, and dual enrollment to facilitate the advising of students and to ensure their steady progress from high school to two-year college and from two-year college to four-year college. She stressed the importance of working closely with K-12 on this and preparing high school students for many options.
- Regionalism – Using the two-year providers, including the tribal colleges, MSU-Northern and UM-Western, ensures that all areas of the state have access not only to programs of the local provider, but also to other programs available online. Having the local provider serve the region as a portal to dual credit and online learning requires coordination, but it will improve efficiency, equity, and access.
- The Board of Regents needs to be comfortable with the Virtual Community College because of the involvement of federal stimulus funding. She said it is important to identify what the universal common core is because it will be a foundational program for the virtual community college.
- We need to develop the technological infrastructure needed to support efficiencies and our use of data.

Regent Hamilton said she doesn't understand how the board can assess and quantify the success of the other priorities without the integrated data being available. She added that the board will not know where and how the MUS is effective and efficient without the common data. Associate Commissioner Tyler Trevor said the concept of central data warehousing is of critical importance.

Commissioner Stearns added that the "common code numbering" portion of data analysis is important. Most of the colleges already have Banner and the first increment would be improvement of the "coding."

Regent Buchanan expressed support of the goals and direction as stated by Deputy Commissioner Moe. He stated that proceeding with the centralized integrated data system is the right thing to do. He recognized there may be some resistance from campuses, but that it is imperative to move forward and to complete this transition. Regent Buchanan added that it is time to act as a system and move forward.

Commissioner Stearns clarified that this has to be done systemically, starting with two-year education.

Superintendent of Public Instruction Denise Juneau added that all education, K-12 and higher education, is dealing with the same issues and problems with a seamless education system. She emphasized the willingness of the Office of Public Instruction (OPI) to continue working together with the MUS to be more efficient and improved for the sake of the students. She addressed the following points:

1. P-20 – OPI is developing a plan which they will present to the Board of Public Education regarding academic achievement. They will continue to work closely with OCHE on this and priorities of the recovery act.



2. Improved communication with parents and students, as well as internally, is crucial.
3. OPI has identified ten schools as “turn-around schools” and is working with people in those areas to improve student achievements.
4. Data - OPI currently has a student information model, but needs more work to be done regarding transcript and data. She wants to focus on what needs to be done for students by working together with MUS and K-12.

Commissioner Stearns recommended a draft resolution on two-year education goals and strategies. Since the resolution has not been publicly noticed yet, there will be a future Board of Regents conference call meeting for action. Commissioner Stearns said OCHE is gathering information on what other states are doing to attract more adult students.

Regent Buchanan fully supported the draft resolution.

Regent Hamilton said it is important to evaluate where students are attending. She expressed concern that one of the barriers to program collaboration in the delivery to underserved communities is the connection of the academic program to the funding model. Regent Hamilton said she doesn't think it will be successful unless the institution that has the academic program has a way to recover their cost of providing the courses to a distant sight. She would like to see a connection between the academic programs and the allocation model. Regent Hamilton told the board she sees a problem with relying on four- year campuses to continue to provide funding to the two-year campuses. She said she fully supports the resolution.

Regent Pease questioned how this addresses the embedded two-year campuses. She said the board currently does not have adequate information and data from the embedded two-year campuses and would like the embedded two-year campuses to be specifically mentioned in the resolution.

Chairman Barrett clarified that this is a directional document in draft form, rather than a document for action yet.

Regent Christian said the regents need to address the issue of implementing disciplinary incentives for something not done rather than rewarding something completed.

Deputy Commissioner Robinson spoke on strategic financing and told the board Dennis Jones will be speaking at the September Board of Regents meeting.

Regent Christian requested changing the date the campuses count student enrollment to the end of the semester rather than on the 13th day. Regent Taylor expressed full agreement and added that the current practice makes it too easy for the students to drop classes. Regent Hamilton agreed.

Regent Pease requested information on the completion rates per class for the campuses.



Commissioner Stearns reminded the board that the overall goal is the completion of degrees.

Regent Barrett clarified consensus from the board to change the date campuses count student enrollment from the 13th day to the end of the semester.

- MUS-OCHE Work Plan 2009-2010 (proposed)

Commissioner Stearns explained this document outlines what the Office of the Commissioner of Higher Education (OCHE) will be working on over the coming year. She addressed the student success goal including outcomes, completing semesters, completing graduation, continuing to work closely with OPI, and P-20 collaboration throughout the system. Commissioner Stearns said the common course standards initiative is also a priority of the National Governor's Association. She said some of the top priorities are P-20, MOA, to be more systematic in the MUS, and the continuation of work in transferability. Retirement policies and benefits to retirees will also be a significant issue to work on. While many of the goals have to be done, the challenge is to be careful to not take on too many things at one time.

Associate Commissioner Trevor explained one page informational documents in the distributed material and said OCHE is working on packaging various information succinctly for the purpose of the education of the regents and legislators. He explained documents on admission standards, transferability, graduation rates, and workforce development. The document will be posted on the OCHE website.

- Federal Stimulus Funds (ARRA) Planning and Utilization

Associate Commissioner Trevor said he has been working on this continually, and has been working to incorporate this throughout the system. He stated that funding is beginning to come in to help the campuses with tuition mitigation, as well as with specific projects.

- Planning for Reform and Reinvention in MUS

Deputy Commissioner Sylvia Moore explained the document entitled "Success and Efficiency Agenda", which included the goal to increase student success and administrative efficiencies through mission differentiation and policy alignment. She said distinct missions for the primary components of the MUS need to be defined. Mission differentiation overview includes flagship universities, regional universities, and community colleges. Deputy Commissioner Moore told the board it may be necessary to look at the admission standards throughout the system. If the two research institutions are pushed to capacity, then the board should consider raising the admission standards at those campuses to encourage some students to attend the other campuses. Deputy Commissioner Moore said that by utilizing differential admission standards, the MUS can help to align students with the college that best matches their academic preparation and goals. The admission standards at the flagship universities can define specific preparation levels necessary for student success.



Regent Hamilton said that in the past, the MUS has tried to address admission standards with a one-size-fits-all. She said, in the past, if the board decides to raise the standard at the two flagship campuses, then the remaining campuses tend to raise their standards accordingly. She said the board has talked for years about whether or not to raise the mathematics standards, but suggested it might be better to be more specific about the competencies.

Joyce Silverthorne, OPI, said a concern in P-20 discussions is the concept of readiness and remediation. Dr. Silverthorne proposed to put the exit K-20 standards next to the entrance standards for the university system standards. This way, OPI could look at setting benchmarks throughout the K-12 system in order to achieve the university system standards.

Deputy Commissioner Moore suggested consideration of reaching four standards:

- Increase access and student success
- Guide development of new programs and research
- Provide for efficient delivery of programs and overall administration
- Increase collaboration with K-12

Deputy Commissioner Moore said it is important to set tuition differentials for the flagship (research) universities, regional campuses, and community colleges. If the MUS is competing for the best and the brightest at the flagship universities, then the system needs to act accordingly. She explained this would potentially mean more students would be starting at the regional universities or community colleges. She said other policy issues to consider are: performance based funding, transferability, targeted programs, two-year education, and data and information.

Regent Hamilton asked if the board is going to incentivize campuses to collaborate when talking about performance incentives.

Regent Buchanan said that while these are difficult, it's the right thing to do.

Regent Barrett asked what needs to happen to move this forward. Deputy Commissioner Moore responded with a recommendation to move forward on the mission differentiation.

Commissioner Stearns commented that the "how to" mechanics of accomplishing this mission differentiation and policy alignment could work through the Leadership Council or the board could have an interim committee to move ideas regarding change and reinvention forward to the full board.

Regent Pease said the mission differentiation and admission standards as she thinks about it are goals that are different from what is currently in place or in policy. Chairman Barrett said this information needs to be articulated to the campuses at a Board of Regents meeting. Regent Hamilton said the directions given to the campuses in this process or its conclusions need to be supported by solid data.

Deputy Commissioner Moe said the whole mind-set changes when the funding model is included.



MONTANA UNIVERSITY SYSTEM

Regent Buchanan said whatever proposal comes forward, it should be presented to the campuses as a proposal from the regents.

Regent Christian said it is important to have a committee that incorporates individuals who value higher education whatever their background.

Regent Pease said the regents need to make the final decisions that might be developed by a committee and its advisors.

Commissioner Stearns suggested the committee or workgroup be comprised of three regents, supplemented with about six additional citizen advisors.

Regent Barrett stated that in his view, this should be an MUS working group and not a big statewide committee. He proposed that the board decide at this meeting on the regent members of the workgroup, ideally with the full work group identified with a tentative action plan and timeline by the September board meeting.

Regent Buchanan suggested having three regents on the workgroup. Regents Buchanan, Pease, and Hamilton volunteered to serve on the committee.

Executive Session *Room 102A*

- Naming of Building

The Board met in Room 102A for executive session and reached consensus to let the naming of a campus building item advance to the September 2009 Board of Regents meeting for approval.

The meeting adjourned at 2:40 PM.

Posted on

Approved by the Board of Regents on

Date

Date

Sheila M. Stearns
Commissioner of Higher Education
and Secretary to the Board of Regents

Stephen Barrett
Chair, Board of Regents