



## MINUTES

### Montana Board of Regents

The University of Montana-Helena College of Technology  
January 14, 2010

**Thursday, January 14, 2010**

Roll call indicated a quorum 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. Commissioner of Higher Education Sheila Stearns, *ex-officio*, was present. Superintendent of Public Instruction Denise Juneau, *ex officio*, was represented by Joyce Silverthorne. Governor Brian Schweitzer, *ex officio*, was represented by Dan Villa.

Regent Clay Christian moved approval of the January 14, 2010 minutes. Motion approved 7-0.

#### **Opening Comments by Chairman Barrett and Current Issues**

Chairman Steve Barrett opened with condolences of the sudden, untimely death of Robin Gerber, an outstanding MCC faculty member.

Chairman Barrett introduced the new president of MSU-Bozeman, President Waded Cruzado.

Chairman Barrett recognized that there will be thought and action needed relative to fiscal issues in the state affecting the Montana University System (MUS) budget as well as the budgets of state agencies. He reminded the board that while the current situation is difficult, the MUS has worked through difficult times before. The statutory process states that when a certain threshold has been reached, the governor must require state agencies to adjust their budgets. Chairman Barrett said that the Board of Regents (BOR) has the right to choose whether to along with that request or explore other options. In 2002 in a similar state budget deficit, the Board voluntarily supported the governor's request for reductions. He clarified that given the economic pressures of the time, the BOR will once again volunteer to participate in the governor's request for budget reductions.

#### **Current System Issues**

##### **Strategic Plan – Biennial Update**

Commissioner Sheila Stearns said her office is working on making the Strategic Plan more user-friendly. The plan is focused on priorities of access, affordability, and efficiency and effectiveness. Affordability has long been a key concern and the Strategic Plan focuses on increasing state-funded need-based aid. The Strategic Plan has also expanded the financial aid portion to indicate how much of financial aid is from



grants and student loans. She pointed out that compared to other states, Montana has dropped in the percentage of tuition compared to the median household income.

Associate Commissioner Tyler Trevor explained the updated matrix in the strategic plan. He gave a brief history of the plan, which began as a result of working with the joint legislative sub-committee on Postsecondary Education Policy and Budget (PEPB) to look at shared policy goals. The evolution of the strategic plan includes the metrics, goals, and objectives, and Mr. Trevor stressed that the strategic initiatives the MUS has undertaken need to be connected more closely to the goals. He encouraged the campuses to look at the document and to provide input on the initiatives connected to the goals. The updated version of the strategic plan will be brought before the board at the March BOR meeting. Mr. Trevor said the plan will be more useful once we have simplified and clarified what the MUS is doing and how the MUS is doing in relation to the plan. He reminded the board that the information technology plans, as approved by the BOR, are now included in the strategic plan.

Commissioner Stearns reminded the board of the work done by the Retention and Recruitment Task Force, which was created and endorsed by the BOR, and suggested the report by the taskforce be referenced in the strategic plan, perhaps as an appendix.

Commissioner Stearns informed the board that the next Leadership Council meeting, which includes leadership from the MUS campuses, will be held February 2, 2010. She will ask for input from campus leaders on the strategic plan at that time.

## **Top 10 Higher Ed policy issues**

Commissioner Stearns explained the top ten issues in higher education that states throughout the country are working on, as identified by AASCU. Issues include: States' fiscal crises; President Obama's American Graduation Initiative; Tuition policy and prices; Enrollment capacity; State student aid programs; Federal focus on community colleges; Expansion of statewide data systems and new reporting metrics; Veterans education; College readiness; and Teacher effectiveness.

## **Two-Year Education at MSU**

Commissioner Stearns reported that work has been continuing on this, including representatives from MSU Great Falls COT, MSU-Bozeman, and the Office of the Commissioner (OCHE).

Dr. Rolf Groseth, Vice-Chancellor for Inter-Campus Affairs at MSU-Bozeman explained that since the last BOR meeting in which this topic was addressed, President Cruzado has heard both written and verbal reports of what has occurred to date. There have also been follow-up conversations with members of the board and the commissioner's staff. Dr. Groseth informed the board that as a result of the reports, conversations, and the current economy, President Cruzado has decided to halt further process of MSU's request for its own two-year college to allow time for responses to questions that have arisen since the last BOR meeting. Dr. Groseth said on the directive of President Cruzado, courses already in place will be continued, and by doing so, it does not require a significant shift in mission for MSU-Bozeman. He explained this can be accomplished



without involving the investment of significant additional participation. Dr. Groseth said if this joint request cannot be accomplished in the near term, the BOR and OCHE will instead develop benchmarks as well as data and process requirements needed; the community can then come back to the BOR with additional information and questions.

Regent Lynn Hamilton asked how Dr. Groseth foresees this process advancing, including the timeframe and according to BOR policy.

Dr. Groseth replied that the largest proportion of activity concerns course work that involves both MSU-Bozeman and MSU-Great Falls COT. He clarified that the intent is to move the responsibility of the current activity from MSU-Great Falls COT to MSU-Bozeman. He said this would include courses currently offered in the areas of computer technology, aviation, and interior design and assured the board that BOR would be kept apprised.

Regent Hamilton asked if MSU-Bozeman can do that within the BOR guidelines of those students admitted that need development education; can MSU-Bozeman move those that need developmental education within the BOR guidelines for admissions.

Dr. Groseth responded yes, because even though the BOR admission policies are currently being reviewed by the board, MSU-Bozeman can provide the two-year education courses since there is not a two-year education college of technology or community college in the Gallatin Valley. He said MSU-Bozeman has worked on this issue with MSU-Great Falls COT.

Regent Hamilton said she was not clear on the number of students that can be admitted that don't meet the MUS admission standards, according to BOR policy.

Dr. Groseth responded that some students that have been admitted on exception are not taking the remedial courses. He said MSU-Bozeman and MSU-Great Falls COT need to make sure they are meeting the BOR requirement.

Regent Hamilton requested MSU-Bozeman provide that information to the board before proceeding further.

Regent Pease said she was interested in how the admission policies address this issue. She added that this brings up certain issues of what student admission standards are and how they are handled when a student is admitted on an exception when there is not a COT in the area. Regent Pease added that this also suggests there are mixed messages to students and parents indicating that students who don't meet the admission standards can still go to the four-year universities. She expressed concern of exceptions made to admission standards and the resulting problems this presents for faculty. Regent Pease said the regents need assurance that the two-year education needs are being met in the Gallatin Valley and need clarification of the range of services provided to students in the embedded COT model. After that information is provided to the regents, the issue then needs to be vetted by the board.

Deputy Commissioner Sylvia Moore explained BOR Policy 301.1 states there is a 15% cap on the number of students that can be admitted by exemption. Dr. Moore is working with Deputy Commissioner Mary Moe to review and identify possible revisions



needed regarding the admission standards. She said there are currently some discrepancies on the handling of students admitted by exemption.

Dr. Moe told the board that the concerns the regents had raised about the proposed two-year college in the Gallatin Valley at the November 2009 board meeting have been discussed with her office; however, she has not been involved in discussions about the current proposal, which she assumes is an option for an interim measure. She suggested that a specific term for the interim measure be established and that the end-product of the interim activities and analyses be identified. Dr. Moe expressed concern that, even in the interim, but especially long-term, this proposal could create another model of two-year education in Montana at a time when the board is looking for more symmetry in the system instead. She explained this would not be an embedded COT at MSU and therefore raises additional admissions and mission questions. Dr. Moe assured the board that she would be happy to work with MSU to address these concerns.

Dr. Groseth distributed an article from the *Bozeman Chronicle* on two-year education in Bozeman.

## **MGSLP Reorganization**

Commissioner Stearns informed the board that there will most likely be a reorganization in the Montana Guaranteed Student Loan Program (MGSLP). In the near future, employees will gradually be reduced. She explained that MGSLP still has a loan origination division and those jobs will gradually be phased out as a result of the changes in the student loan arena throughout the country. Regent Buchanan asked if a plan for MGSLO's future could be shared with the board at the next meeting.

## **Community College Letters**

Commissioner Stearns told the board that her office has received letters from Miles Community College and Flathead Valley Community College following the November Board of Regents meeting. She and Deputy Commissioner Moe will work with the community colleges to form a workgroup of regents and trustees proposed in the regents' session with trustees after the November BOR meeting.

## **LRBP**

Deputy Commissioner Mick Robinson reminded the board of the campus Long Range Building Program (LRBP) review meeting that was held at the MSU-Billings campus as part of the LRBP process in conjunction with the September board meeting. He told the board that he and Commissioner Stearns have participated in similar meetings with the other campuses since that time. As a result of those meetings, he will be working with campuses to develop a proposed priority list to be heard at the March 2010 board meeting. Following feedback and input from the regents and campuses, the priority list will then be finalized at the May 2010 meeting.

## **Budget/Challenges**

Deputy Commissioner Robinson introduced Nate Thomas, the new budget analyst for



higher education in the Governor's Office of Budget and Planning Program.

Mr. Robinson said he had provided information to the board regarding the budget process and budget targets. He also included language from the July 2002 board meeting regarding a similar situation, which had required across the board reductions for the state agencies. In 2002, the wording stated that the Board of Regents voluntarily chose to cooperate with the reductions. Mr. Robinson explained that a 5% reduction for the Montana University System (MUS) would be \$7.4 million. He reminded the board that the process is evolving and there are a lot of issues to be addressed yet. He added that the MUS is prepared to move forward with the process and he recommended voluntarily providing the budget reduction information.

Dan Villa, governor's office, said the Legislative Finance Committee will receive recommendations from the governor and they will review those recommendations.

### ACTION

- a. Authorization to Replace Resident Life Maintenance Shop; UM-Missoula ITEM 146-1001-R0110

Teresa Branch, UM Vice President of Student Affairs, explained that this item requests authorization to replace a maintenance shop located on the south campus. She said auxiliaries are basically responsible for this project and it replaces a structure that already exists. The current structure is very old and is comprised of converted WWII strip housing that is beyond repair, creates health and safety issues for staff, and is inadequate to house and repair equipment. Some of the equipment is currently stored outside, thus reducing the lifespan of the equipment. This facility will provide space to store equipment indoors, and sufficient workspace for staff. In time, some cost savings will occur since the campus will not be required to outsource maintenance work.

Chairman Barrett asked if UM has already accumulated funds for this project. Dr. Branch responded that UM is earning the money this year and that funding would be available by summer 2010 for the project. She reminded the board that UM is asking for authority in this item and that they will have to weigh the priorities when the funding is secured.

Regent Christian moved approval of item 146-1001-R0110. Motion approved 7-0.

- b. Changes to the Montana Family Education Savings Plan; OCHE ITEM 146-106-R0110

Director Bruce Marks presented the recommendations of the Family Education Savings Program (FESP) Advisory Council. He recommended approval of the five proposed Vanguard investments and for the commissioner to approve the plan to 2013.

Regent Buchanan referenced previous concerns of exploring more options for FESP. He explained this proposal starts with three options with Vanguard by spring 2010, followed by two additional options from Vanguard after November 2010. Regent Buchanan clarified that this contract does not preclude the board from considering other



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options as well. He explained that College Savings Bank is our manager and the 529 Plan from College Savings Bank is open to both in-state and out-of-state participation.

Regent Buchanan moved approval of ITEM 146-106-R0110. Motion passed 7-0.

### CONSENT

- a. Approval of University System/Employee Equity Interest and/or Business Participation Under BOR Policy 407; UM-Missoula ITEM 146-1003-R0110 Attachment 1
- b. Professor Emeritus and President Emeritus; MSU-Bozeman ITEM 146-2001-R0110
- c. Director Emeritus of University Honors Program; MSU-Bozeman ITEM 146-2002-R0110
- d. Professor Emeritus of Educational Theory and Practice and Mathematics; MSU-Billings ITEM 146-2701-R0110
- e. Staff Item; MT Tech ITEM 146-1500-R0110
- f. Labor Agreement: Pacific Northwest Regional Council of Carpenters; OCHE ITEM 146-102-R0110
- g. Labor Agreement: Teamsters Union Local 2 UM-Missoula; OCHE ITEM 146-103-R0110
- h. Labor Agreement: MSU-Billings Faculty Association; OCHE ITEM 146-104-R0110
- i. Memorandum of Understanding; UM-Western Faculty Association; OCHE ITEM 146-105-R0110
- j. Naming of Scoreboard; MT Tech ITEM 146-1501-R0110

Chairman Barrett asked if Item "a" outlines the relationship that exists and asked for clarification on who is getting the product resulting from the research currently occurring.

The UM Director of Technology Transferability, Joseph Fanguy, verified that the services were indeed occurring at this time and that any activity moving forward would be on direct contract.

Regent Christian moved approval of consent agenda a-j. Motion approved 7-0.

### INFORMATION

- a. Moratorium Request from MSUN; Announcement of Certificate from MSU-GF

Deputy Commissioner Moore explained these are intended to be strictly information items. She and Dr. Moe will look more closely at the proposal for two-year education in the Gallatin Valley to determine if it will be placed on the Level I or II memorandum.

- b. Level II Memorandum - *for action at March BOR meeting*

Chairman Barrett asked what campus impact will occur with the new astrobiology



course at MSU astrobiology and requested an explanation regarding the purpose of the MSU-Bozeman request in the field of land surveying. Dr. Moore replied that she will discuss the boards' questions with the campus academic officers prior to the March BOR meeting.

Provost Joe Fedoch, MSU, told the board MSU has worked closely with the Association of Land Surveyors in the development of the certificate in land surveying that will meet the requirements of the Land Surveying Association for students that want to become certified as land surveyors. The minor is requested for those students working toward another degree, but want to be able to do land surveying as well. Dr. Fedoch said there is a surveying program at FVCC, but that MSU's request is not a duplicative program.

c. Campus Athletic Reports

Deputy Commissioner Robinson explained these reports previously had been reported at the March BOR meetings. However, due to the timeliness of the information, OCHE decided to move the reports to the January meeting instead. Some of the campuses had some recent audits which moved the process more quickly. He told the board he is satisfied with the information from the campuses.

d. Re-worked Program Reviews

- MSU-Billings
- UM-Western

**ACADEMIC and STUDENT AFFAIRS: RESEARCH**

**Policy 401 - Research and Technology Transfer**

"Annually, at the January regents' meeting, UM-Missoula and MSU-Bozeman, as representatives of the affiliated campuses, shall submit to the commissioner of higher education a report summarizing the research and technology transfer activities for the previous fiscal year." They also "shall coordinate requests for federal initiatives... The report will be submitted to the commissioner office prior to campus representatives sharing it with Montana's federal delegation and presented to the board annually at the January meeting."

"Any proposal included in the federal initiatives request that proposes a subcontract or sub-grant with a non-governmental organization must be approved by the board of Regents in advance of submission to the federal delegation."

Deputy Commissioner Moore said this policy requires MSU and UM to submit a report to the commissioner summarizing research activities from the previous year.

Dan Dwyer, UM Vice President of Research, reported on the research enterprise at UM. He said research expenditures increased by 7.5% at UM in 2009, while MT Tech research grew by 6.7%. Less than 3% of research expenditures were obtained from the federal initiative process, with the vast majority obtained by various funding agencies in competitive grants. UM Missoula had 1,321 active grants at the beginning of FY10



totaling \$2.25 million. Dr. Dwyer explained that UM requires the research projects to be part of UM's long-range vision and to contribute to economic development. Dr. Dwyer and the provost determine the priorities after reviewing all the proposals.

### ACTION

UM Partnership With Great Point Energy; UM-Missoula ITEM 146-1002-R0110

Dr. Dwyer explained this is part of the BOR review process and requires board approval prior to sharing the idea with the Montana congressional delegation. He said this would allow UM to partner with Great Point Energy, a for-profit organization in Cambridge, Massachusetts that has developed a \$40-50 million demonstration facility to convert biomass into an impurity free natural gas. The request is for approval to move forward to obtain funding for the partnership, not to actually do the project. Dr. Dwyer said the technology involved could also easily be modified to use with other forms of biomass projects. He assured the board that if UM is successful in obtaining the funding, the contract would include specific wording that would guarantee UM's ability to use the technologies for other projects.

Tom McCoy, MSU Vice President of Research, explained the principles for selection in the research process at MSU, which include: the project has to fit with the campus mission and priorities; faculty need to be capable of conducting the proposed research and; the appropriate infrastructure for conducting the research is in place. The federal initiatives account for approximately 3% of research expenditures. Priorities for determining research initiatives include to following components: contribute to economic development in five ways; be associated with an R&D (research and development) enterprise within the university; workforce development; business assistance program; technology transfer of discoveries; and be a magnet in attract new businesses.

The potential for building competitiveness is a priority when developing the initiatives. Dr. McCoy said MSU's priority requests contain approximately 40% of expenditures for biomedical research. Dr. McCoy and the provost determine the priorities after reviewing all the proposals.

Dr. McCoy highlighted the federal animal bioscience facility on the MSU campus, which will involve federal scientists working closely with the MSU scientists. The intent is that this will be the heart of bovine genetics research and to be very complimentary to the state facility in Miles City, which will significantly increase what can be done at the Miles City Agriculture Research facility.

Dr. McCoy explained that the Dean of the College of Agriculture and the department faculty work with resource agencies in the state in identifying landowners interested in working together to identify solutions. The involved land owners are those that have already identified that they have problems on their land and are, therefore, interested in having studies conducted on their land.

Dan Villa asked if any trade association will receive funds from the proposed projects. Dr. McCoy said he was assured by the faculty involved in the proposals that no funding





would be going to any trade association.

Dr. McCoy explained that due to federal changes regarding earmarks, MSU is exercising restraint in what they ask the federal delegation to work on.

Regent Pease asked if some research projects are eventually moved to other funding sources for the purposes of sustainability. Dr. McCoy responded that in response to changes in the position of the federal government, the intent is to not ask for earmarks for more than three consecutive years. Consequently, when developing a research proposal, the project must not require multi-year, long-term funding from the federal government.

Dr. McCoy highlighted the excellence in MSU research activities, which has had expenditures of \$100 million over the past five years. He expressed concern of recruitment and retainment of research faculty as a result of the current budget situation in connection to salaries. Dr. McCoy explained PORE, Pursue all Opportunities for Research and Education Funding regarding competitive funding, partnership, and congressionally directed appropriations.

MSU research presentations included:

- Dr. Trevor Douglas – translational research looking at viruses as beneficial materials
- Courtney Rerchherdt – undergraduate research on MRI contrasting agents in preparation for graduate work in academic medicine
- Dr. Rob Bargatze with Ligocyte Pharmaceutical Company – vaccine development and issues affecting human health

Dr. Bargatze detailed extensive collaboration with MSU which provided key technologies and intellectual property through technology transfer licenses, as well as preclinical animal research and use oversight.

UM research presentations included:

- Dr. Rich Bridges – neuroscience and biomedical development of new drugs and their effectiveness of the drugs and the location within the brain affected by the drugs
- August Barany – created molecules shown in monkey trials to be used in future medical trials
- Dr. Rich Bridges – how drugs get in and out of cells and how drugs selectively bind to brain tumors
- Dr. David Poulson – the effects of former methamphetamine use on stroke and traumatic brain injury, which could have significant implications for returning soldiers

Commissioner Stearns spoke on the advantage of students having the opportunity to engage in research with professors and faculty. She reminded the board that research is explicitly mentioned in BOR Strategic Plan because of its strong connection to economic development.



Part II – The Roles and Impact of MUS Research

- Teaching and Learning
- Discovery
- Economic Impacts
- Sustaining Montana Environments

Part III – Stories from *Health and Biomedical Sciences* Research

How undergraduate students, graduate students, researchers, and business interact and build a synergistic impact

Part IV – Strengthening the MUS Enterprise

- a. Federal Infrastructure Support
  - National Science Foundation Experimental Program to Stimulate Competitive Research (NSF-EPSCoR)

Deputy Commissioner Moore recognized the 23 career awards in the MUS through the EPSCoR outreach program, which is to be commended. She stated that some of the biomedical research includes the tribal colleges.

- IDEA Network
- b. State Support
  - Montana University System Science & Technology Advisory Committee (MUSSTAC) **Montana Science Serving Montana Citizens** – an update on the statewide science and technology activities and future directions for higher education and related enterprises in Montana.
- c. Challenges

UM Provost Royce Engstrom said adequate funding is needed to provide:

1. Salaries for competitive faculty (partnership in funding), as well as for specialized equipment. The campuses compete nationally and internationally for faculty and need to be able to attract the quality personnel needed.
2. Competitive assistantships and stipends for graduate students, which are key to competitive research programs. Montana is one of the few states in the country that charge non-resident graduate students non-resident tuition, rather than resident tuition.
3. Competitive infrastructure through state, federal and private partnerships. Investment in research facilities and core equipment is crucial for faculty writing the grants to remain competitive.



Provost Engstrom explained that enrollment in Montana graduate programs lags behind peer states. Provost Engstrom encouraged the board to address the issue of graduate education as the MUS moves forward as a system to enable the campuses to remain competitive.

Provost Fedoch reinforced Provost Engstrom's comments on issues to help make the research enterprise more vibrant and provide contributions to the MUS, particularly regarding the issue of the tuition rate policies. Dr. Fedoch reported to the board that the number one recommendation in MSU's accreditation evaluation report said that while the evaluation team recognized MSU's commitment to research and as MSU further develops as a research institution, the team noted concern in the increased tension, increased needs and more limiting resources. The evaluation team recommended additional funds be generated to support research and facilities management.

Regent Christian moved approval of ITEM 146-1002-R0110. Motion approved 7-0.

Public Comment:

Doug Coffin, UM-Missoula, Vice President University Faculty Association, commented on the value of research on the campuses and concerns of salaries.

### **REGENTS' REFORM WORKGROUP REPORT**

- a. Making Opportunity Affordable (MOA)
  - Integrated Information System
  - Serving Adult Learners

Deputy Commissioner Moe introduced David Hall as the new coordinator hired for the MOA grant project. Dr. Hall formerly worked in OCHE overseeing the WIRED grant.

Dr. Moe told the board the MOA State Advisory Team and the Implementation Team both recently met, at which times national consultant, Travis Reindl, stressed the importance of the focus of the two-year incentive to be kept simple and continually emphasize what we're doing and why. In her report to the board, she said she would attempt to do that.

#### Strategy 1

Bring the comprehensive community college mission to all two-year campuses.

Why?

- Because inconsistencies create a lack of confidence in the two-year college option and creates inequities in access and affordability for students where the full mission is not provided.

What? Action Plan

1. Change the policy and practice on admissions and developmental education by May 2010.
2. Collaborate with adult basic education providers (ABE).
3. Change the policy and practice on transfer education.



4. Innovate to provide adult-friendly programs and services.

### Strategy #2

Designate two-year campuses as regional hubs.

Why?

- Because they are strategically dispersed to ensure business-industry responsiveness throughout Montana.
- Because they provide local access to a statewide system for helping students make the transition from his school to college, including dual enrollment.

Action Plan:

1. Identify the role and service area of the hubs.
2. Identify best practices in partnership for workforce development.
3. Establish parameters for pricing and practices for dual enrollment.
4. Engage the tribal colleges as hubs.
5. Address the unique role of “embedded” COTs.

### Strategy #3

Coordinate programming and technological infrastructure to increase access, efficiency, and collaboration.

Why?

- Because our data infrastructure impedes potential system efficiencies and access for students.
- Because the inconsistency in requirements for academic foundations courses in our workforce programs complicates communication about readiness, as well as equality of access.
- Because adult students need models more responsive to their circumstances.

Action Plan:

1. Align the academic foundations in workforce development programs.
2. Identify a more streamlined, focused general education transfer core.
3. Bring more campuses on to the Banner program and integrate the systems already in place.
4. Develop a virtual community college focusing specifically on adult-friendly programs and services.

### Strategy #4

Introduce performance-based funding as a component of two-year college state funding.

Why?

- Need to shift the focus more to productivity and efficiency.

Action Plan:

1. Identify appropriate performance metrics for two-year colleges.
2. Explore appropriate balance of enrollment-based and performance-based



funding.

Dr. Moe summarized the informal research Montana has conducted to data on adult learners. She explained she that the two-year leadership had a two-day session with leaders in the Kentucky system last summer, which was very instructive. Recently, staff in the Commissioner's office interviewed the president of Western Governors University (WGU) model, which has an open entry that allows students to start at any time, rather than at the beginning of a semester. She said that the online models seem particularly promising for adult access because of the geographical dispersion in Montana and the cost associated with giving up jobs and paying for daycare, which is a component that needs to be seriously considered.

Dr. Wes Lynch, MSU faculty leader, asked for clarification on Dr. Moe's comments about the focused general education transfer core. She had mentioned that the Faculty General Education Council had provided counsel to her on that subject. Dr. Lynch asked what that Council is and how it relates to the Faculty Learning Outcomes (FLOCs).

Dr. Moe explained that the General Education Council was created prior to the Faculty Learning Outcomes Councils. The FLOCs were established after the legislature funded the Transfer Initiative, and they determine which courses in their disciplines are equivalent and non-equivalent. The General Education Council was established prior to the Transfer Initiative and focuses on the general education courses identified by each campus for its general education core, as well as for the Montana University System General Education Transfer Core. The Council has just updated its identification of the courses offered throughout the system that would be suitable and acceptable to all the campuses for the purpose of transferring anywhere within the MUS. She has asked for their advice on how she might identify a much smaller set of courses for the purposes of the Two-Year College Initiative. They were very helpful in that regard.

Regent Hamilton asked about the research indicating that first-time adult students without college-level proficiencies who take online courses. They seem to have greater difficulties online than other students.

Dr. Moe noted that this issue was one of the issues that the OCHE staff discussed with the president of Western Governors University. WGU offers an introductory course that acclimates students to the online environment and the WGU advising and support services at the same time that it focuses on the development of college-level proficiencies in composition and mathematics. WGU students cannot proceed to their program coursework until they have demonstrated their online proficiencies, as well as their college-level proficiencies. The course gives students a realistic idea of what knowledge and skills they will need to succeed in a WGU program before they spend a lot of time and money on courses for which they are not adequately prepared.

b. Performance-Based Budget

Deputy Commissioner Robinson referenced Dennis Jones', NCHEMS, November 2009 presentation to the board. Dennis Jones will return to give recommendations to the board for possible allocation models that can blend into the MUS allocation model. The



intent is to begin the detail work in early March for implementation in early 2012.

Commissioner Stearns explained that her office is looking at best practices throughout the country. Through the MOA, Montana was contacted by the Association of Governing Boards (AGB), indicating the AGB would fund consultants to address strategic finance issues. Dennis Jones was selected for Montana since he already knew a lot about Montana and was familiar with Montana.

Mr. Robinson said it will be necessary for the board to address the issue of enrollment shifts as they move toward performance-based funding. They need to address where those students are attending in relation to where funding resides. Mr. Robinson stated there will also need to be discussions on the Integrated Information System and where there would be efficiencies in regards to cost-savings. He said hard discussions will need to begin soon on next steps to take in preparation for FY11 and FY12.

Regent Buchanan reminded the board of possible risks if focusing funding solely around outcomes. He added that the model the MUS envisions may not be drastically different from what is currently in place.

Regent Hamilton asked for clarification of re-basing. Mr. Robinson referenced the flat enrollment concept, similar to the College Affordability Plan (CAP) for FY08-09 compared to actual enrollments. He added that there are two issues: re-basing and possible movement in some funding for students funded in CAP and the shifting of those funds in response to increased enrollment for which the MUS has received no funding for.

Commissioner Stearns asked Dr. Moe about questions and comments indicating campuses and faculty are resistant to dual enrollment. She asked Dr. Moe if the MUS has been resistant to dual enrollment. Dr. Moe replied that the dual enrollment initiative has always been a significant emphasis of Montana's two-year colleges. Until recently, other than Montana Tech, two-year colleges were the only campuses entering into dual enrollment arrangements with school districts. Increasing dual enrollment opportunities and tracking their success is also of primary importance to the Two-Year Education Initiative that the MUS is advancing and Lumina is funding. She said she is trying to broaden the discussion of dual enrollment to be a discussion of all aspects of the high school to college transition. Dr. Moe stated that the discussions would address whether students are ready for dual enrollment when in high school and should the course be considered an early college class or an advanced placement class. She explained the need to get the models in place that would create the incentives to participate. She acknowledged that a concern of some members of the Academic Affairs Committee of the Two-Year Council is the concurrent enrollment model. Research indicates the greatest benefit to the student is when the students is actually taking a course on the college campus. The concurrent enrollment model has high school faculty teaching the college class to high school students during the high school day.

Dean Daniel Bingham, UM-Helena COT, stated that UM-Helena participates in dual enrollment using the concurrent enrollment model, which is done in the high school by high school teachers serving the college as adjunct faculty. He stated that he is unaware of any research criticizing this model. UM-Helena also has high school



students that take courses on the COT campus. He suggested if the student takes the class on the college campus, then the faculty should not be required to obtain Class VIII licensure and, if the course is taken in the high school, then the instructor would need to be Class VIII licensed.

Dan Villa stated that under the Board of Public Education (BPE) rules on dual enrollment, if you are going to teach high school students, whether on the college campus or at the high school, then you must have the appropriate license required to high schools. He suggested the Virtual Community College could be used for dual enrollment purposes.

Chairman Barrett asked if there is an actual or perceived reluctance in the MUS to get the required licensure. Dr. Moe replied that she has not been in contact with faculty in recently years on this issue. Some campuses chose not to pursue the Class VIII license; others did. MSU-Great Falls pursued it as a goal for all their faculty and currently have over 70 faculty licensed for teaching high school students, whether through Class I, II, IV, or VIII. Other campuses are just changing courses that used to be offered as dual-credit to college-credit-only classes. That keeps the opportunity open for students, but they lose the advantage of getting both high school and college credit.

Dean Barry Good notes that UM-Missoula COT has experienced growth in dual enrollment in recent years with a current enrollment of over 200 students. They use the concurrent enrollment model, relying on high school faculty to teach the course to high school students during the school day. Dean Good stated that it was never the intention of the COT or the school districts to give the full college experience when they set up the dual enrollment model. Rather, the intention was to give high school students full college credit while still in high school and to get the students the credits at as affordable price as possible. Working with Deputy Commissioner Moe, Missoula has followed regental guidelines for faculty qualifications and has established a common final to address concerns about college-level outcomes.

President Jane Karas, Flathead Valley Community College, responded to the earlier question regarding the reluctance of staff to get Class VIII licensure. She said, yes, faculty on FVCC have been openly resistant to the licensure requirement since they have been teaching high school students in dual-credit classes on campus for many years. She said that the collective bargaining agreement would make it difficult to require Class VIII licensure. She said it is up to the individual high school whether they give the high school credit for the courses. School administrators and parents in the Flathead Valley are disappointed that these opportunities have declined because of the Class VIII licensure issue. President Karas said she does not think the Class VIII license is in the best interest of the students.

Dan Villa responded that this decision on licensure for faculty teaching high school students is up to BPE, which views appropriate licensure as crucial to best interests of students and the state. He reminded President Karas that this decision is up to the BPE, not the BOR. He added that if K-12 or higher education faculty don't like the requirement for Class VIII licensure, they need to realize that the discussion is closed and it is time to go forward for the sake of the students' ability to get high school and



college credit at the same time, when possible and appropriate.

Dr. Wes Lynch asked if the BOR mandated that faculty get Class VIII licenses. Chairman Barrett clarified there was no mandate by the BOR.

Wes Lynch asked about the statement "the discussion is closed and it is time to go on." Mr. Villa replied that MEA-MFT was very involved in the discussion requiring a Class VIII license if a teacher wants to participate in dual enrollment courses.

Regent Hamilton said there appears be three models: two models that are simple and cost-effective to implement and one model that is not easy or cost-effective to implement. She said if parents want their children to have dual enrollment opportunities, then they'll figure out a way to make it possible. She reminded the board that the responsibility of the MUS is to make sure those credits can transfer to the campuses and to find ways to make it more cost-effective for the students.

Associate Commissioner Trevor said there are two ways to measure dual enrollment. The method available to Montana shows that our dual enrollment numbers are the lowest in the West and among the lowest in the nation.

Dr. Moe said Regent Hamilton's comments captured what the dual enrollment prong of the MOA initiative is trying to accomplish. She said that while there are sometimes concerns of whether some dual enrollment models are truly college-level, we cannot provide access throughout Montana without them, so we need to figure out how to address those concerns. A particular campus may not want to participate in some models, but then there may be another campus that is willing to do so. There are also apparently still concerns about Class VIII licensure and whether that is an insult to college faculty. Dr. Moe had those concerns herself at one time, but if you put that thought aside, you realize Class VIII licensure is not such an onerous process and it allows faculty to provide opportunities for students they may not otherwise have. She said the issue of pricing and various policies and practices still need to be addressed.

President Waded Cruzado, MSU, told the board this is an opportunity for Montana to think how it wants to use its higher education system; where do they want to take Montana in five or ten years. She said the board needs to think of how to use the greatness of the K-12 system and the greatness of the MUS. President Cruzado said if all the MUS is doing is inviting faculty to teach courses for students, then they are falling short of what can be accomplished. However, if the MUS wants students to go to college, then they will be challenging the high school students in new ways. She said by doing so, the MUS will be conveying the message that they can truly be college students. President Cruzado offered to do whatever MSU campuses can do to participate in this.

c. Montana Virtual Academy

Commissioner Stearns explained she serves on the board of the Montana Virtual Academy, based on the UM-Missoula campus, and they recently hired a director for the Virtual Academy from Michigan. She told the board the genesis of the Class VIII license process came in the distance learning process, addressing the needs of rural high schools throughout Montana, especially those that are not near a town with a college or





university. She said high schools and counselors will gradually begin to look at where the students can get dual credit, both high school credit and also higher education credit. Commissioner Stearns said if courses are going to be delivered through the Virtual Academy or eventually a Virtual Community College, then those avenues will enable more faculty to reach larger numbers of students across Montana. The Virtual Academy is aiming toward making sure that more and more students, regardless of location, can take dual enrollment courses.

Chancellor Frank Gilmore stated appreciation of Director Tom Gibson, Deputy Commissioner Moe, and Commissioner Stearns on their diligent work on the Class VIII licensure. He stated concern of implying that any high school students can take dual credit because there is a limit to the number and type of students that can get dual credit. Chancellor Gilmore said there needs to be criteria for students who can take dual enrollment and that they are doing a disservice to students in regard to quality if the criteria are not followed.

Regent Pease said we need to strive to increase the participation rate and access for students who can participate and realize the benefit in this. She recognized there may be resistance in some areas, and there may be good reason for some of the resistance. However, she stressed the need to have a discussion on the goal of the number of students allowed to participate.

Regent Buchanan summarized progress of the Regents' Workgroup. He said the workgroup has discussed progress of the Making Opportunity Affordable Initiative (MOA), transferability and the recognition nationally for innovative initiatives. He said the workgroup is addressing: adult learners, the need to behave more systematically, potential facilities, and protocol in planning and communication.

### Public Comment:

Marco Ferro, MEA-MFT, addressed the dual enrollment discussion and said MEA-MFT has been a broker, not a barrier, in this process. He stated that MEA-MFT represented both the K-12 and faculty in higher education throughout the process. He said the outcome was the result of compromise between all the involved groups. Like all compromises, there are provisions that both sectors didn't want to give up, but the result is reasonable.

Mr. Ferro also spoke on recruitment and retention and encouraged the board to remain focused on their long-term mission as we move forward in this time of budget concerns. He requested the recruitment and retention taskforce report be updated and offered assistance from MEA-MFT to work on the report.

Doug Coffin commented on the Regents Workgroup and expressed appreciation for BOR including faculty in the efforts.

Chairman Barrett closed the meeting by extending appreciation for the service of Regent Lila Taylor whose term as a regent is now over.

The meeting adjourned at 2:40 PM.



**MONTANA UNIVERSITY SYSTEM**

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Executive session followed in the Dean's Conference Room for the purpose of discussing proposed honorary degrees at MSU-Bozeman and MT Tech.

**Posted on**

**Approved by the Board of Regents on**

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Date

Date

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

Stephen Barrett  
Chair, Board of Regents