

THE BOARD OF REGENTS
OF HIGHER EDUCATION
Montana University System

CONFERENCE CALL MEETING
MINUTES

DATE & TIME OF CALL:

DECEMBER 6, 1994 2:30 P.M.

LOCATION:

MONTANA HIGHER EDUCATION BUILDING
COMMISSIONER'S OFFICE
2500 BROADWAY
HELENA, MONTANA

REGENTS PARTICIPATING:

JIM KAZE (CHAIRMAN), CORDELL JOHNSON, PAUL
BOYLAN, COLLEEN CONROY, PAT DAVISON, AND
KERMIT SCHWANKE

REGENTS NOT PARTICIPATING:

JIM BROWN

PRESENT IN COMMISSIONER'S OFFICE:

JEFF BAKER, SUE HILL, LEROY SCHRAMM, ROD
SUNOSTED, ROSE BOND

OTHER PARTICIPANTS:

JIM TODD (IN NEW YORK), THE UNIVERSITY OF
MONTANA—MISSOULA, WILLIAM DAHLING,
MONTANA STATE UNIVERSITY—NORTHERN,
ROBERT SPECTER, MONTANA STATE
UNIVERSITY—BOZEMAN, WILL WEAVER, MSU
COLLEGE OF TECHNOLOGY—GREAT FALLS

Chairman Jim Kaze called the conference call meeting to order at 2:30 p.m. Roll call showed that a quorum was present. He explained that the meeting was called for the Board to consider the following items:

- a. Item 85-1001-C1294—Preliminary Bond Resolution, Facilities Improvement Revenue Bonds, Series 1995; The University of Montana (Revised)
- b. Item 85-2804-R05—Approval of Tentative Agreement with Northern Montana College Federation (action deferred to January 1994 meeting)
- c. Item 85-2851-C1294—Revision to Regent-Approved Long Range Building Plan; Montana State University College of Technology—Great Falls

Jim Todd, Vice President for Administration and Finance from The University of Montana—Missoula, said that Item 85-1001-C1294 involved three changes on the bond offering. First, the change in designation was being made from a 1994 series to a 1995 series because the bond closing and delivery would be delayed until January 1995. Dr. Todd said this was a technical issue that required redesignation as a 1995 series. Second, the financing for the family housing complex from the bond proceeds would be reduced from \$500,000 to \$150,000. He said unobligated interest earnings on the 1993 construction fund in the amount of \$350,000 would be applied to the project, thereby reducing the required amount from the bond proceeds to \$150,000. The third change involved an increase in

the bonding for the Student Health Center. When originally approved by the Board in May 1994, the intent was that \$1 million from bond proceeds was required to be repaid within seven years with a student fee of \$5.75. With the addition of the \$900,000, the repayment period would be extended by eight years. Instead of seven years, the repayment period would be 15 years. Dr. Todd noted that ASUM had endorsed the extension for the additional eight years. He told the Board the pricing of the bonds would take place on December 14 or 15, 1994.

Regent Pat Davison said he wanted to emphasize that the funds were auxiliary funds and that nothing new was being proposed with any of the changes except for some of the estimates and costs and expansion of the loan project. No state dollars were involved but instead strictly user fees.

Commissioner Jeff Baker asked Dr. Todd if benchmarking had been used for this type of debt service or similar measures. Dr. Todd said that when the 1993 bonds were issued, the university had benchmarked peer institutions to find out their debt capacity at the time.

Chairman Kaze asked how Montana compared. Dr. Todd said that Montana had lower debt and higher coverage.

Regent Kermit Schwanke noted that four additional units were being added to the family housing project. Dr. Todd said that would be brought forward to the Regents at their January 19-20, 1995 meeting as part of the university's recap of its bond projects.

- ▶ **Regent Davison moved that the Board approve Item 85-1001-C1294. A roll call vote showed unanimous approval of the motion.**

Chairman Kaze asked Sue Hill, Director of Labor Relations and Personnel, to present Item 84-2804-R0994, which had been deferred from the September 1994 meeting.

Ms. Hill said the agreement in question was different than the UTU agreement. This agreement provided an increase of a percent and a half effective July 1, 1994. At the end of this biennium, Ms. Hill said they agreed to catch the faculty up to experience point, which was worth \$285 under the expired agreement. She said one year of the two-year agreement covered the current agreement, and they had pledged to begin the collaborative process in January 1995 to look at a more innovative approach to faculty salaries.

Chairman Kaze asked whether they were doing anything significantly different, or were they within the bounds of what they had been discussing all along.

Commissioner Baker said not quite, but they wanted to move on and look at the bigger picture. The goal was to begin the training for the collaborative negotiations in January 1995. Because of that goal, they wanted to get this agreement off the table and move ahead to begin on a positive note. He said the MSU—Northern agreement paralleled the agreement reached with the Colleges of Technology in that it was similar in concept. The numbers were not the same, however. Commissioner Baker said the collaborative process was already underway with the Colleges of Technology.

In response to a question from Regent Schwanke, Commissioner Baker said that collaborative negotiations were ongoing at MSU—Billings; shared governance responsibility and discussions were ongoing at MSU—Bozeman; the collaborative process would begin at MSU—Northern after the first of the year; and similar discussions were ongoing at Western Montana College of The UM. He said preliminary talks also had begun at Montana Tech of The UM.

Regent Davison asked why they wanted to get the agreement done now instead of opening up the collaborative process.

William Daehling, Chancellor of MSU—Northern, said it was important to move ahead, and there was a necessity to show some good faith in the process. He pointed out that the leadership of the AFT at MSU—Northern had changed significantly, and the collaborative bargaining process would be a major step forward. Chancellor Daehling said the faculty had not received a pay increase for more than a year and a half, and he urged the Board to approve the agreement.

Ms. Hill said a major obstacle in beginning the collaborative negotiations was the fact that MSU—Northern was operating under a four-year contract that specifically allowed for the opening only of money and one other issue. She said to do the collaborative process justice and meet the requirements of the Commissioner and the Regents, they needed to deal with student enhancements as well as faculty salary increases; she said the flexibility was not there with the limited reopener. Ms. Hill said the faculty were not willing to talk about items beyond those specifically opened in the four-year contract.

Commissioner Baker said he endorsed the agreement and supported Chancellor Daehling's rationale for moving it forward.

Regent Johnson asked whether the faculty had approved the agreement. Ms. Hill said they had.

- ▶ **Regent Schwanke moved that the Board approve Item 84-2804-R0994. The motion passed; a roll call vote showed Regent Davison voting against the motion.**

Chairman Kaze said the final item on the agenda was Item 85-2851-C1294.

Robert Specter, Vice President for Administration and Finance at Montana State University—Bozeman, said this item requested approval to revise the long-range building program to include the development and completion of the facility at the College of Technology in Great Falls. He said MSU—Bozeman President Michael Malone felt strongly that the facility needed to be included in the plan, so they suggested to Commissioner Baker that an MSU-Bozeman priority be modified in order to accommodate the Great Falls facility. Mr. Specter said the Commissioner agreed to that suggestion, and the recommendation was being presented to the Regents. He said they essentially would reduce priority Number 22 on the list of 35 priorities in the plan, which was the Bozeman campus' AJM Johnson Hall maintenance and renovations, from \$4.9 million to \$3.6 million. They would take the difference and move it to fund the facility at Great Falls. By doing so, they would establish a bottom-of-the-list priority of number 36 for the Bozeman project, AJM Johnson Hall, in the amount of \$1.3 million, and Great Falls would replace the original Bozeman project at \$3.6 million.

Commissioner Baker said the total on the list would remain the same, which was a little over \$73 million.

Chairman Kaze asked Mr. Specter whether he was referring to the university system list or the MSU—Bozeman list. Mr. Specter said he was using the system list, which included 35 priorities integrated by the Commissioner's Office for a total of \$73.2 million.

- ▶ **After further discussion, Regent Colleen Conroy moved that the Board approve Item 85-2851-C1294. A roll call vote showed unanimous approval of the motion.**

With no other business to come before the Board, the meeting adjourned at 3:45 p.m.

Mailed to the Board of Regents on

March 10, 1995

(Date)

Rose M. Bond

Rose M. Bond

Secretary to the Board of Regents

Approved by the Board of Regents on

March 23, 1995

(Date)

Jim Kaze

Jim Kaze, Chairman

Board of Regents of Higher Education