

THE BOARD OF REGENTS
OF HIGHER EDUCATION
Montana University System

MINUTES

DATE: JANUARY 19-20, 1995

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

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

REGENTS ABSENT: KERMIT SCHWANKE (EXCUSED)

**PRESIDENTS & CHANCELLORS
PRESENT:** PRESIDENTS GEORGE DENNISON AND MICHAEL MALONE;
CHANCELLORS LINDSAY NORMAN, SHEILA STEARNS, AND
WILLIAM DAEHLING; ACTING CHANCELLOR RONALD SEXTON

THURSDAY, JANUARY 19

Chairman Jim Kaze called the regular meeting of the Board of Regents to order at 1:35 p.m. Roll call showed that a quorum was present.

Regent Pat Davison asked that the minutes from the November 17-18, 1994 regular meeting be amended by inserting the following statement before the last sentence in paragraph 9 on page 8: *"This represents a move from a probationary salary to a permanent salary, which is less than seven tenths of a percent increase over two years."*

- ▶ **Regent Davison moved that the Board approve the minutes from the November 17-18, 1994 regular meeting as mailed to Board members, with the addition of the amendment. The motion passed unanimously.**

CONSENT AGENDA

Staff Items

- a. **Item 86-100-R0195—Staff; Office of the Commissioner of Higher Education**
- b. **Item 86-1000-R0195—Staff; The University of Montana—Missoula**
- c. **Item 86-1500-R0195—Staff; Montana Tech of The University of Montana**
- d. **Item 86-1600-R0195—Staff; Western Montana College of The University of Montana**
- e. **Item 86-2000-R0195—Staff; Montana State University—Bozeman**

- f. **Item 86-2001-R0195**—Retirement of John B. Folsom, Professor of English; Montana State University—Bozeman
- g. **Item 86-2300-R0195**—Staff; Agricultural Experiment Station; Montana State University—Bozeman
- h. **Item 86-2400-R0195**—Staff; Cooperative Extension Service, Montana State University—Bozeman
- i. **Item 86-2700-R0195**—Staff; Montana State University—Billings
- j. **Item 86-2800-R0195**—Staff; Montana State University—Northern
- k. **Item 86-2801-R0195**—Retirement of Martha Anne Dow, Professor of Biology and Vice President for Academic Affairs; Montana State University—Northern
- l. **Item 86-2802-R0195**—Retirement of August W. Korb, Professor of Education and Assistant Vice President for Academic Affairs; Montana State University—Northern
- m. **Item 86-2803-R0195**—Resolution Concerning the Retirement of William Carl Shellenberger, Professor of Science; Montana State University—Northern
- n. **Item 86-2804-R0195**—Resolution Concerning the Retirement of James Terry Smith; Associate Professor of Mathematics; Montana State University—Northern
- o. **Item 86-2805-R0195**—Resolution Concerning the Retirement of Valdamar Valdez, Professor of Drafting; Montana State University—Northern
- p. **Item 86-2850-R0195**—Staff; Montana State University College of Technology—Great Falls

Capital Construction Items

- a. **Item 86-2003-R0195**—Authorization to Renovate a Portion of Traphagen Hall; Montana State University—Bozeman
- b. **Item 86-2004-R0195**—Authorization to Renovate Portions of Cooley Lab; Montana State University—Bozeman
- c. **Item 86-2005-R0195**—Authorization to Construct the Memorial Plaza; Montana State University—Bozeman
- d. **Item 86-2006-R0195**—Authorization to Renovate a Portion of Strand Union Lower Level; Montana State University—Bozeman
- e. **Item 86-2007-R0195**—Authorization to Renovate Room 609 of Leon Johnson Hall; Montana State University—Bozeman

Referring to **Item 86-1000-R0195**, Regent Davison requested that the entries in that item for the coaches' salaries be excluded from consideration at that time. He said he wanted to discuss those salaries and do some further research before voting. He asked that they be considered later that day or during Friday's session.

- ▶ **Regent Jim Brown moved that the Board approve all the items on the Consent Agenda (both staff and capital construction items) with the exception of the entries for the coaches' salaries listed in Item 86-1000-R0195. The motion passed unanimously.**

COMMITTEE REPORTS

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

The Academic and Student Affairs Committee met at 9:00 a.m. in Conference Room 102B at 2500 Broadway in Helena. Committee members present included Regents Cordell Johnson (chairman), Jim Brown, and Colleen Conroy. Chairman Kaze asked committee chairman Regent Johnson to

present the committee's report to the full Board.

1. **Announcements**

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

- a. Change name of MS and PhD program in Veterinary Science to Veterinary Molecular Biology; Montana State University—Bozeman.
- b. Change name of AAS program in Industrial Electronics to Electronics Technology; Helena College of Technology of The University of Montana.
- c. Establish graduate emphasis in Hydrocarbon Waste; Montana Tech of The University of Montana.
- d. Add elementary teaching concentrations in mathematics, science, and social studies; Western Montana College of The University of Montana.
- e. Reconfigure Bachelor of Liberal Studies degree, science concentration with related areas of study in biology/health sciences and physical science to Bachelor of Liberal Studies, science concentration with related areas of study in biology, chemistry, and geology; Western Montana College of The University of Montana.
- f. Add new options in Business Management AAS program in International Business and Marketing; Flathead Valley Community College (approved with condition that FVCC adopt and report to the Deputy Commissioner for Academic Affairs a common core of a significant number of hours for all options in its Business Management AAS program).
- g. Add one-year certificates in Business Management and Business Management—Networking; Flathead Valley Community College.

Additional announcements:

Regent Johnson noted that Montana State University—Northern adopted its calendar for the next academic year. The first semester would begin September 6 and end December 22. The second semester would begin January 16 and end May 10.

Regent Johnson announced that the Academic Program Inventory had been revised. One version was arranged by courses, and a second version was arranged by campus. He said the inventories were available either in an electronic or printed format.

Regent Johnson said the committee briefly discussed the federal government's attempt to install some type of national accreditation system that would be handled by the Department of Education. He said the feeling of the committee and others at the meeting was that regional accrediting agencies should be strengthened, and accreditation operated at the federal level by the Department of Education was not a good idea.

Chairman Kaze said the Administrative/Budget Committee held a similar discussion and, unless anyone disagreed, he would send the Board's response to the Association of Governing Boards (AGB) to indicate support of a proposal to establish a national, independent board of accreditation.

2. Notices of Intent

- a. **Approval of Proposal to Convert the Present Bachelor of Science Degree in Physical Therapy to a Master of Science Degree; The University of Montana—Missoula**
- b. **Initiation of a Joint Program in Law and Environmental Studies; The University of Montana—Missoula**
- c. **Authorization to Offer a Teaching Minor in Earth Science; Western Montana College of The University of Montana**
- d. **Approval of Proposal to Implement the Associate of Applied Science Degree or Certificate of Completion in Medical Assistant; Flathead Valley Community College**

Regent Johnson briefly explained each notice of intent and said the committee recommended moving them forward to the submission agenda at the March 23-24, 1995 meeting in Kalispell.

3. Submission Agenda Items

- a. **Item 86-001-R0195—Academic Program Review Recommendations—Phase I; Montana University System**

Regent Johnson said Item 86-001-R0195 involved Phase I recommendations only; Phase II recommendations would be placed on submission at the March meeting. He said the program review process underway for the past year had involved much interaction between the Commissioner's Office and the campuses. Regent Johnson pointed out that the purpose of the review was not to save money but instead to eliminate or consolidate programs so that campuses could better reallocate resources. Graduation rates in the programs were the principal criteria used during the review, and programs with low productivity were identified and submitted to the campuses for review. The Commissioner's Office recommendations were categorized according to (a) retention, (b) elimination, (c) consolidation, (d) quantitative review, and (e) review. Phase I recommended elimination of 41 programs, concentrations, and options.

Regent Johnson said the committee suggested that if campuses had major concerns about any of the programs on the list, they should make those known to the Deputy Commissioner for Academic Affairs before the March meeting, when the recommendations would be placed on the action agenda. He said people from the various campuses also would be welcome to give their views at that time. Regent Johnson said enough time would be allowed during the committee meeting so that the Regents could hear comments from both the campuses and the general public.

Regent Boylan expressed a concern about due process. He asked whether everyone had been afforded the opportunity to voice their opinions.

Dr. Richard Crofts, Deputy Commissioner for Academic Affairs, said that extensive discussions had taken place on the review process itself, the criteria used, the manner in which programs were identified for evaluation, and the various reporting mechanisms. Some changes to the tentative recommendations had been made in the Commissioner's Office, and Dr. Crofts anticipated additional changes to be made before the March meeting. He said the process was expected to bring about change and focus to the academic programs offered, and the campuses were encouraged to do that.

Regent Boylan asked about input from students and people involved in the programs.

Dr. Crofts said each program identified for review was given the opportunity to prepare separate reports concerning a program's size, quality, whether it was central to the campus' mission, etc. Those reports were reviewed internally at the two universities by the various structures in place, and those recommendations came forward to the Commissioner's Office.

Regent Boylan asked what recourse people would have.

Dr. Crofts said when the Phase I recommendations were brought forward on action at the March meeting, the campuses would be given the opportunity to offer comments and suggest changes before the final decision was made.

Regent Johnson pointed out that any programs eliminated would be done so in such a way that students in the programs would be protected and assured of the opportunity to attain their degrees in the programs.

In response to the question on student input, Provost Robert Kindrick from The University of Montana—Missoula told the Board that students on the Graduate Council had provided input on the graduate recommendations. He said he was not sure of the extent to which the undergraduate programs received student input.

Provost Mark Emmert from Montana State University—Bozeman said Bozeman's process was similar to Missoula's. In situations where campus recommendations differed from those of the Commissioner's Office, students did not have input on the Commissioner's Office recommendations. Input on the campus was given at the departmental level. In instances where a program was targeted for elimination, however, the input was not as extensive as they would have liked.

Regent Johnson asked whether the students had been apprised of the Commissioner's Office recommendations.

Provosts Kindrick and Emmert said the Commissioner's Office recommendations were made public during the semester break and that the students would be informed. They also pointed out that all the departments involved had been notified, and the recommendations had appeared in local newspapers.

After further discussion, Chairman Kaze reemphasized that the actual comment period was the time remaining before the March meeting. He said if changes were to be made, that was the time to make them.

4. **Action Agenda Items**

a. **Item 86-2009-R0195—Authorization to Rename the Yellowstone Center for Mountain Environments; Montana State University—Bozeman**

Regent Johnson said this item would authorize the name of the Yellowstone Center for Mountain Environments to be changed to the Montana State University Mountain Research Center (MSU MRC). He said the current name associated the center with Yellowstone Park rather than with MSU—Bozeman. The new name would clearly indicate the MSU—Bozeman affiliation. Regent Johnson said the name change was being requested before initiation of a major public relations and fundraising campaign.

- ▶ **Regent Johnson moved that the Board concur with the committee's recommendation to approve Item 86-2009-R0195. The motion passed unanimously.**

b. **Item 86-2010-R0195—Authorization to Rename the Advanced Materials Center; Montana State University—Bozeman**

Regent Johnson said this item would authorize the name of the Advanced Materials Center to be changed to the Optical Technology Center (OpTeC). He said the new name would reflect that the work in advanced materials was now concentrating on advanced materials of interest to local Montana optical companies.

- ▶ **Regent Johnson moved that the Board concur with the committee's recommendation to approve Item 86-2010-R0195. The motion passed unanimously.**

5. **Other**

Regent Johnson said the committee had reviewed an information item concerning a memorandum of understanding between the College of Great Falls and the MSU College of Technology—Great Falls, which would allow students from the College of Technology to attend a Physics class at the College of Great Falls during the spring semester without being assessed for registration and tuition fees by the College of Great Falls. Regent Johnson said the College of Technology would compensate the College of Great Falls \$750 for each increment of five students taking advantage of the arrangement.

Regent Johnson said the committee briefly discussed the fact that Great Falls was also a higher education center. He noted that a while back, MSU—Northern had proposed to implement a program having to do with computer science at its Great Falls facility. The proposal was withdrawn because all the problems had not been resolved in dealing with the various entities involved, including the College of Great Falls, with respect to the higher education center.

Commissioner Baker said the parties involved were working toward a more comprehensive policy change to address their concerns, and they probably could come forward with that at the March meeting. He said a meeting in Missoula held after the Regents' November meeting clearly outlined the direction and steps that would be taken. Out of that meeting, Dr. Crofts prepared a statement about what was agreed on in the meeting, and that statement was circulated among the institutions during the first part of December. Commissioner Baker said that was the forerunner of being able to go back and redraft the policy. They would look at it from a comprehensive standpoint instead of trying to address only a single issue.

Chairman Kaze thanked Regent Johnson for the Academic and Student Affairs Committee's report.

ADMINISTRATIVE/BUDGET COMMITTEE

The Administrative/Budget Committee met at 9:00 a.m. in Conference Room 102A at 2500 Broadway in Helena. Committee members present included Regents Pat Davison (chairman), Paul Boylan, and Jim Kaze. Chairman Kaze asked committee chairman Regent Davison to present the committee's report to the full Board.

1. **Submission Agenda Items**

- a. **Item 86-101-R0195—Eligible Borrower; Office of the Commissioner of Higher Education**

b. **Item 86-102-R0195—Authorization of Final State Postsecondary Review Entity (SPRE) Review Standards; Office of the Commissioner of Higher Education**

Regent Davison said the committee heard several presentations from Bill Lannan, Director of the Guaranteed Student Loan Program, concerning these two items. The first one involved a definition process to expand the ability of students to participate in the loan program and guarantees of MHESAC. The discussion concerning the second item focused on the same concerns voiced by the Academic and Student Affairs Committee. The committee recommended that the two submission items be placed on the action agenda at the March 1995 meeting.

2. **Action Agenda Items**

a. **Item 31-004-R0681—Holiday Exchanges; Montana University System (REVISED 801.5)**

Regent Davison said Item 31-004-R0681 was on submission at the November 1994 meeting. The policy change would allow the Commissioner to designate any of the following business days as holidays for all employees of a unit in exchange for the same number of legal holidays enumerated in 1-1-216, MCA: the Friday following Thanksgiving; the Monday before Christmas Day or New Year's Day if either holiday falls on Tuesday; or the Friday after Christmas Day or New Year's Day if either holiday falls on Thursday.

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 31-004-R0681. The motion passed unanimously.**

b. **Item 84-1003-R0994—Property Acquisition, Sheehan Majestic Building; The University of Montana—Missoula [withdrawn from agenda]**

Regent Davison said Item 84-1003-R0994 was a re-submitted item that was withdrawn from the agenda at the request of The University of Montana—Missoula.

c. **Item 86-1001-R0195—Authorization to Establish KUFM Translator Sites in Dillon and Ovando and Transmitter Sites in Kalispell, Butte, Hamilton, and Helena; The University of Montana—Missoula**

- ▶ **After brief discussion, Regent Davison moved that the Board concur with the committee's recommendation to approve Item 86-1001-R0195. The motion passed unanimously.**

d. **Item 86-1002-R0195—Revised Project Budget, Family Housing Complex; The University of Montana—Missoula**

Regent Davison said some interest earnings from the bond issue before the funds were expended allowed The UM—Missoula to expand the family housing complex project by adding four units at no cost to the state.

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 86-1002-R0195. The motion passed unanimously.**

e. **Item 86-1003-R0195—Revision, Student Health Services Building Fee; The University of Montana—Missoula**

Regent Davison said Item 86-1003-R0195 would complete the action the Board took in the indenture it authorized by allowing this fee increase to help fund the additional cost and provide a revenue stream to retire the bonds. He said it was consistent with the original indenture, and the students had voted favorably on it.

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 86-1003-R0195. The motion passed unanimously.**

- f. **Item 86-1004-R0195—Faculty Salaries, School of Law; The University of Montana—Missoula**

Regent Davison said the contract with the faculty and staff in the School of Law was separate from the UTU agreement that had been approved by the Board. The UTU agreement basically covered all other faculty at The UM—Missoula. This item had been put aside until the UTU agreement was completed. The administration worked with the School of Law, and the School of Law worked with their students and faculty and agreed with the process used in the UTU agreement. He said the plan was being brought forward at that time to begin to address the low faculty salaries and accreditation concerns. He said the plan set up a schedule extending from FY 94 through FY 99. It would take the pay plan provided by the state and increase compensation beyond that amount to a level that would help retain and attract faculty to the program to maintain quality. The money used to fund the additional increases would come from increased tuition to law school students.

Regent Davison said the committee recommended approval by a vote of 2 to 1, with Regent Boylan dissenting. Regent Boylan pointed out that most Montanans were not sympathetic to giving these types of salaries increases to the law school faculty. Regent Davison responded that while that may be true, the School of Law was having difficulty in maintaining a quality program because of the low salaries. He noted that Montana was competing in a national market, and attracting quality people required paying competitive salaries. He also pointed out that the School of Law would not be taking taxpayer money but would use the fees paid by the law school students.

Chairman Kaze said the agreement reached to compensate the law school faculty paralleled that of the UTU agreement. In other words, commitments would be made by the faculty in regard to learner productivity and faculty production. The salary increases would not be given without a gain to the students. He said he understood that the law school students were in favor of the proposal.

In response to a question from Chairman Kaze, George Dennison, President of The University of Montana—Missoula, said if there was no pay plan from the state, the options would be to request additional tuition or reduce the number of people.

- ▶ **After further discussion, Regent Davison moved that the Board concur with the committee's recommendation to approve Item 86-1004-R0195. The motion passed; Regent Boylan voted against the motion.**

- g. **Item 86-1005-R0195—Lease Agreement, Washington Grizzly Stadium Project; The University of Montana—Missoula**

Regent Davison said Washington Grizzly Stadium was originally built because a Montana citizen came forward with a substantial contribution for the project. Special legislation was passed in 1985 to allow The UM—Missoula to construct the facility at a lower cost by not having to go through the normal state building procedures such as bidding, purchasing, etc. The legislation also included provisions for construction and/or renovation. The UM—Missoula now wanted to use the same legislation for the stadium renovation, which the Board approved at its November 1994 meeting. The

same citizen would again provide a substantial contribution to the university so the renovation could be done much more inexpensively by bypassing the usual state purchasing and bidding procedures. Regent Davison said The UM—Missoula had been in contact with the Department of Administration, the Governor's Office, and the legislators. The Department of Administration said the use of the legislation was probably correct, although that may not have been the intent of the legislature at that time. The Governor's Office suggested that the legislature be informed. President Dennison said he had distributed a letter to all legislators informing them of what the university wanted to do.

Regent Davison said The UM—Missoula would establish a lease agreement with The UM Foundation, the Foundation would go out in the private sector and have the facility built, and the Foundation would then lease it back to the university. Regent Davison noted that Chief Legal Counsel LeRoy Schramm had reviewed the agreement and noted that some fine-tuning of the language was necessary, but the changes would be minor and would not be material modifications. Regent Davison said the committee recommended approval of the item with the stipulation that the Commissioner approve the final document as it was developed, with no material modifications from the document presented to the Board as part of Item 86-1005-R0195.

In response to a question from Regent Johnson, President Dennison said he heard from one member of the legislature. That legislator said he may view the situation differently, but he did not expect his viewpoint to interfere with the process.

- ▶ **After further discussion, Regent Davison's motion that the Board concur with the committee's recommendation to approve Item 86-1005-R0195 with the stipulation that Commissioner Baker approve the final lease document with no material modifications passed unanimously.**
- h. **Item 86-1501-R0195—Authorization to Expend Equipment Fee Allocation for Instructional Purposes; Montana Tech of The University of Montana**
- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 86-1501-R0195. The motion passed unanimously.**
- i. **Item 86-2002-R0195—Information Clarifying Use of Series 1993A Bond Indenture Funds; Montana State University—Bozeman**

Regent Davison said Item 86-2002-R0195 clarified that the bond funds could be used either to construct new student housing and/or renovate existing student housing facilities at MSU—Bozeman.

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 86-2002-R0195. The motion passed unanimously.**
- j. **Item 86-2008-R0195—Inter-Institutional Funding Agreement; Montana State University—Bozeman, Billings and Northern Campuses**

Regent Davison said Item 86-2008-R0195 specifically delineated responsibility concerning the cross-collateralization and funding and the use of the funds on the different campuses.

- ▶ **After brief discussion, Regent Davison moved that the Board concur with the committee's recommendation to approve Item 86-2008-R0195. The motion passed unanimously.**

3. Other

a. Continuation of Residency Policy Discussion

Regent Davison said the residency issue had been brought before the Board at a previous meeting. The question was raised about a non-citizen who would graduate from a Montana high school. Some intricacies were involved concerning a conflict between statute and Regents' policy. He said the committee's recommendation to Chief Counsel Schramm was that the policy be clarified and that they pursue trying to change the statute so that it is consistent with Regents' policy. Regent Davison said they would do that through the restructuring legislation being carried by Senator Mignon Waterman. Concerning the policy, Chief Counsel Schramm would present the document for approval at the March meeting if the Board agreed; the Board concurred.

b. SKC-TV Public Television Concerns

Regent Davison said a number of people attended the Administrative/Budget Committee meeting to express concerns about this issue. He said the committee had taken no action other than to assure the parties involved that Commissioner Baker and President Dennison would work with them in a diligent, good-faith effort to continue discussions to resolve issues raised about the KUFM-TV plan, specifically as it related to SKC-TV public television on the Flathead Indian Reservation but also including other parties with an interest in the matter. Regent Davison said the committee heard concerns from representatives of at least three stations: Plains, SKC-TV, and Bitterroot Valley. He said there were communication problems and concerns that needed to be resolved. The president of the Bitterroot Valley TV Board of Directors specifically requested that the Board place a 90-day moratorium on any expenditures of hard dollars or purchases of equipment related to establishment of the transmitter and development of the program. Regent Davison said that was the first he had heard of the moratorium and did not feel informed enough to make a decision at that time. He suggested perhaps they could decide that issue during Friday's session.

Chairman Kaze agreed to discuss the moratorium issue during Friday's session. He said if The UM—Missoula committed resources to the purchase of those items, the university would not have any choice but to go forward. He said it was important that they find out before the next day whether there were any grant restrictions that would apply to the issue. He pointed out that the Board was not taking any action at that time to approve or disapprove anything. They were directing the campus to move forward with that in mind.

c. Tuition and General Fund Distribution Discussion

Associate Commissioner for Fiscal Affairs Rod Sundsted updated the Board on three issues. First, he said they had finished FY 94 about \$517,000 short in millage collections. The Budget Office and the LFA were notified of the shortfall and that they did not anticipate being able to make it up in FY 95. Mr. Sundsted said they heard from the Budget Office, which agreed with the \$500,000 shortfall in FY 94 and said they could have an additional \$800,000 shortfall in FY 95. Mr. Sundsted said as those numbers became final, his intent would be to request a supplemental as outlined in House Bill 2.

Second, according to a 1991 bill affecting reversions for the university system, if every dollar appropriated was not spent it would revert to the general fund. Mr. Sundsted said Representative Cobb had set up a plan for the Regents to accumulate those reversions, the campuses could set up long-term plans for deferred maintenance, equipment, major maintenance projects, etc., and the money could be used for those higher-priority projects rather than year-end projects. That bill, House Bill 455, passed and had a sunset in it of June 30, 1996. During the current legislative session, House Bill 104, again carried by Cobb, would remove that sunset and make the provision permanent. Mr. Sundsted

distributed a handout (on file) that outlined the history of general fund reversions returned to the campuses.

Third, during every session, a house bill—generally House Bill 4—appropriates money that normally would be appropriated through a budget amendment if the legislature were not in session. Mr. Sundsted said they had tuition collections in four of the units that exceeded current appropriations. They also had some federal money in the AES and an extension for a school-to-work grant in the Commissioner's Office. He said they were requesting authority in HB 4 to expend those additional funds.

Concerning the new funding model, Commissioner Baker said they had gone forward with the recommended distribution of the executive budget to the campuses based on the target costs of education established for the six four-year campuses and the five colleges of technology. They had taken the distribution based on the new funding model up through the executive budget and then went back to the campuses to let them develop the parameters of the tuition recommendations they would make. He said they were supporting the executive budget and were coming forward with their tuition recommendations so that the Education Subcommittee would have the entire package. He noted that the Board was not being asked to vote on the tuition rates at that time, although they would be presented by MSU—Bozeman and The UM—Missoula as an indication of where they were headed. The Board would be expected to vote on the tuition rates at the March meeting so that the students would know ahead of time what to expect.

Mr. Sundsted referred to his January 5, 1994 memo to the Board (on file) and reviewed (1) the background relative to the funding of the Montana University System and a description of the internal process used by the system to develop cost of education targets to be used in implementing the funding model adopted by the Board of Regents; and (2) the tentative application of the model for FY96 and FY97 when applied to the Governor's recommended funding levels of general fund and millage. Also included as part of the memo was a comparison to the incremental budgeting model used in development of the executive budget.

Following brief discussion on the funding model, President Dennison reviewed proposed AY1996 and AY1997 tuition rates for The University of Montana campuses (document on file).

Michael Malone, President of Montana State University—Bozeman, asked Vice President for Administration and Finance Robert Specter to present Montana State University's preliminary tuition proposal for AY1996 and AY1997 (document on file).

Lengthy discussion followed on the two tuition proposals.

President Dennison distributed several documents to the Regents concerning the education reorganization issue, including a staff paper on the distribution of powers prepared during the constitutional convention; debates that occurred in the Education Public Lands Committee that related to the issue of why the reorganization should be done; and a 1977 article that focused on the reasons for constitutional autonomy.

Commissioner Baker said that a committee hearing on House Bill 229 was scheduled for the following day at 3:00 p.m.

Sheila Stearns said some university system representatives were going to testify against HB 229 based on historical and other factors. Chairman Kaze emphasized that testimony by university system personnel should be made in line with the position outlined in the resolution adopted by the Regents in September concerning the recommendation of the Governor's Task Force to Renew Montana Government.

The Board recessed at 4:55 p.m.

FRIDAY, MARCH 24

The Board reconvened at 8:40 a.m.

OLD BUSINESS

a. Report Card on Restructuring

Commissioner Baker referred the Regents to the "report card" memos (on file) from President Malone (December 15, 1994) and President Dennison (December 20, 1994). The presidents were asked to prepare the report cards for their campuses based on criteria outlined by Commissioner Baker in his November 9, 1994 memo (on file) to the two presidents. The criteria included unity, improved service to students and increased productivity, balance, two-year education, a strong telecommunications system, and improved academic program integration. Commissioner Baker asked Presidents Malone and Dennison to review their reports for the Board.

After the reports were presented, the Regents questioned the presidents at length on a variety of topics, including information in college catalogs; the possibility of lumping fees and tuition into a single amount; making student transfer between universities and among campuses easier; placing more emphasis on two-year education and paying more attention to two-year enrollments while continuing to consider community needs; improving telecommunication deliveries, information sharing, and integration between the two universities; developing a student tracking system for the entire system; benchmarking efforts; and revised role and scope statements.

Chairman Kaze thanked the presidents for their reports. After a 10-minute break, the Board reconvened at 10:15 a.m.

b. Status of Community College Merger

Commissioner Baker referred to material that had been mailed to the Board and said that Chief Counsel Schramm would distribute updated versions of the three-page document titled "Community College Merger" dated January 20, 1995, and the accompanying legislation (on file). Commissioner Baker said he had met January 18 with representatives from the community colleges, the two universities, and Chairman Kaze to address additional concerns raised during the past several weeks. He then reviewed the changes that had been made to the merger statement since that meeting.

Commissioner Baker said the Regents should decide whether to recommend or not recommend that the three community colleges be merged into the university system. The community college presidents would take the latest changes back to their boards for approval. After the legislation was revised, they would go forward with the legislation to effect the changes. Commissioner Baker said that Senator Arnie Mohl was carrying the bill for them.

According to President Don Kettner of Dawson Community College, President Jud Flower of Miles Community College, and President David Beyer of Flathead Valley Community College, their boards of trustees would meet January 23 and vote on the latest changes to the merger agreement and the legislation.

Regent Johnson moved that the Board approve the proposed merger of the three community colleges into the university system.

Regent Davison said he opposed the move. He said the state had reason to be proud of the community colleges, and the colleges were serving the people well in their current locations. He thought they could do great harm to themselves by merging. He said he did not think the move would serve the people of Montana well. It would cost more, and they already had good articulation agreements that provided good interaction. Regent Davison said he favored the community colleges' autonomy and did not think that the benefits of the change were there to support making a move from their communities into something larger.

Lengthy discussion followed among the Regents, Commissioner Baker, and Presidents Kettner, Flower, and Beyer concerning the potential ramifications of the proposed merger. Issues discussed included whether the colleges should be players in the university system restructuring; whether other states had undertaken similar processes; concerns about mission drift; benefits of restructuring being passed on to the community colleges; whether the move was in the best interest of the public and whether it was responsive to community concerns; and the financial advantages and impacts of merging.

Regent Johnson said he would withdraw his motion.

Commissioner Baker pointed out that if the legislation did not have the support of the Board of Regents and the three community colleges, it would not make sense to go forward to the legislature.

Regent Davison said he wanted to review the final resolutions from the community college boards of trustees, and he wanted more information on the fiscal numbers.

The Regents listened to additional comments from Dr. Robert Waltmire, a member of the FVCC Board of Trustees in Kalispell, who voiced opposition to the merger.

Acknowledging that the issue needed more discussion before the Board could feel comfortable in taking a position, Chairman Kaze suggested they schedule a conference call meeting the following week to make a decision; the Board concurred. Chairman Kaze asked the Board members to make sure they requested any additional information they needed before that time so they could make an informed decision.

c. Update on Fort Missoula

Chief Counsel Schramm distributed a copy of the legislation requested by the Land Board (on file) that would authorize the Regents to dispose of university land; establish procedures for disposition; and require the Land Board's concurrence for exchange or sale of certain university land. Chief Counsel Schramm said the bill was in the drafting stage and would be introduced in the legislature.

Chief Counsel Schramm said the legislation evolved from the Land Board's involvement in the Fort Missoula issue. He said the bill was meant to accommodate the interests of both the Land Board and the Board of Regents. The Land Board approved the legislation during a meeting on January 17. Chief Counsel Schramm briefly reviewed the bill, primarily the new Section 2 that focused specifically on the Board of Regents. He said he had some concerns with Subsection (6) under Section 2—the last sentence in particular, which stated:

If land that is proposed for sale or exchange was owned by the federal government, the state, or a unit of local government immediately prior to its acquisition by the university system or the state for the university system, the board may sell or exchange the land only if it obtains the concurrence of the board of land commissioners. The board of land commissioners may refuse to concur if it determines that the sale or exchange would be disadvantageous to the state.

Chief Counsel Schramm said he thought they should support the bill with the exception of the last sentence in Subsection (6) under Section 2. He suggested the last sentence say that the Land Board may refuse to concur if it determined that the university system was not getting fair market value or if they had not followed the procedures set out in the legislation. He said if the Land Board had concerns about a sale, they could vote to bring the concerns to the Board of Regents, and the Regents would consider those concerns before voting whether to sell or not to sell. Chief Counsel Schramm said he would ask that the Regents direct him to ask any legislative committees to drop the broad language and give the Land Board authority to disallow sales only if fair market value was not reached or if the procedures set out in the legislation were not followed, and also to seek out the option to dispose of mineral rights if the system so desired.

Following discussion on the language, Chairman Kaze asked the Board if they wanted to proceed in the direction outlined by Chief Counsel Schramm. The Regents agreed to support the legislation with the exception of the broad "disadvantageous to the state" language in Subsection (6) under Section 2.

Concerning the status of the Fort Missoula land sale, Chief Counsel Schramm said the Attorney General had been directed by the Land Board to prepare a complaint so that the Land Board could vote whether it would sue over the matter. As of the January 17 meeting, the Attorney General had not drafted the complaint, so any action was postponed until mid-February. Chief Counsel Schramm said discussions were continuing with the developers, and he would be glad to discuss those individually with the Regents at their request.

NEW BUSINESS

a. Voluntary Termination Incentive Appeals (7)

Chief Counsel Schramm noted that the Regents had approved two similar appeals at their July 1994 meeting. He said they had received the material on the seven appeals in question and should decide whether to grant the appeals or deny the appeals and set them for hearing.

- ▶ **Regent Johnson moved that the Board grant all seven appeals. The motion passed unanimously.**

b. Gender Equity Annual Report

The Board listened to a report (on file) from Rebecca Bird, Gender Equity Coordinator in the Commissioner's Office. Ms. Bird's report was titled "Infuse or Lose: Gender Equity in Vocational and Technical Education in Montana, 1994 Annual Report."

After Ms. Bird responded to several questions from Regents, Chairman Kaze thanked her for her report.

c. Coaches' Salaries at The University of Montana—Missoula

Regent Davison said he had asked the previous day that a vote on the coaches salaries included in The University of Montana—Missoula's staff item be deferred to Friday's meeting. He said he had questions about the source of funds used to pay the salaries.

President Dennison said the funds indicated in the agenda item came from gate receipts or donations received or raised by the Grizzly Athletic Association. They came into the university and could only be distributed to individuals with the president's approval. President Dennison said the

dollars did not come out of state funds. In response to a question about merit increases, he said they did have a merit process for faculty, but coaches were not included because they were not part of the bargaining unit. Instead, dollars from gate receipts and donations were set aside to recognize achievements of the coaches.

- ▶ **After brief discussion, Regent Johnson moved that the Board approve the entries for the coaches' salaries included in Item 86-1000-R0195, which had been deferred from the previous day. The motion passed unanimously.**

d. Request from Salish-Kootenai College for Board Support of Legislation

Commissioner Baker referred to a December 14, 1994 letter (on file) from Dr. Joe McDonald, President of the Salish Kootenai College in Pablo, requesting that the Board support legislation that would appropriate money to the Board of Regents to provide financial assistance to nonbeneficiary students attending tribally controlled community colleges in Montana.

Dr. McDonald distributed a fact sheet (on file) to the Regents and noted that Salish Kootenai College served 300 students who were not members of a federally recognized Indian tribe. If the proposed legislation were to pass, it would provide the tribal colleges with some outside financial support for these students. Salish Kootenai College would receive a major portion of the \$700,000 that would be made available for each fiscal year of the biennium.

Commissioner Baker said he recommended supporting the legislation with several caveats: (1) that the extension of state support to nonbeneficiary students would be limited to Montana's tribal colleges; and (2) that funding would not come from a reduction in state support for the Montana University System or community colleges.

Regent Davison voiced a concern about the private versus independent status of the college.

Dr. McDonald said he recognized there was a fine line between private colleges and independent colleges, but Salish Kootenai College viewed itself as an independent college. He said they had open admissions, their basic funding was federal dollars, and they recently had received land grant status.

- ▶ **After further discussion, Regent Conroy moved that the Board support the legislation with the two caveats outlined by Commissioner Baker. The motion passed; Regent Davison voted against the motion.**

COMMISSIONER'S REPORT

a. Moratorium Request

Concerning the request for a 90-day moratorium made the previous day by Bitterroot Valley TV, Commissioner Baker said that negotiations concerning the KUFM-TV/SKC-TV issue needed to be concluded within the next 30 days because of pressing issues coming forward. He proposed that they place a 30-day moratorium on any type of purchasing and continue to work to resolve the issues as quickly as possible; the Board concurred.

President Dennison said they would proceed quickly and would keep the Regents updated on the negotiations.

b. AGB Conference

Chairman Kaze noted that the AGB (Association of Governing Boards) was going to hold its March 1995 conference in Seattle and encouraged the Regents to attend. He said he obtained commitments from the two universities to support the Board's travel to Seattle so that no taxpayer money would be used. In the past, new Regents would attend a conference to receive education and be updated on what other boards throughout the country were doing in regard to national higher education issues. Since the conference was in Seattle, Chairman Kaze said he thought it was an excellent opportunity for Regents to attend.

Commissioner Baker said his office would be in contact with the Regents to coordinate the arrangements for the conference if they chose to attend.

STUDENT REPORTS

Justin Lee, President of MAS (Montana Associated Students), informed the Board that MAS had passed a resolution against House Bill 229. He said the decision was not unanimous, with one college dissenting. Mr. Lee said it was important to the majority of Montana students that the legislation be defeated, and he said MAS would work toward that end.

Gary Pace, student body president at Montana Tech of The University of Montana, read the following statement:

The students at Montana Tech would like to caution the Board against unjudicious academic review of programs. This review may be needed, but senseless cutting of master's programs under the false pretext of financial savings and the reallocation of resources can only be disastrous in the long run. The students at Tech feel that each program up for review should be examined on its own individual merits and not on an arbitrary scale set to cure the ills of the larger institutions. Also on the minds of Tech students and faculty is the preservation of our mission. Last year at the restructuring talks, the Board assured us that our mission would remain intact. It is not logical to speak of terminating programs that are absolutely central to Tech's mission. I do not need to remind this Board that Tech graduates are held in very high regard in industry and academia alike. The reason for this high regard can partially be attributed to the size of the programs like Geophysics and Mining. The small size is what makes Tech a leader in education and not a diploma factory.

Chairman Kaze reminded Mr. Pace that opportunity for input would be provided before the final decisions were made on the program review recommendations. Mr. Pace said the students appreciated that opportunity.

CAMPUS REPORTS

President Malone distributed Montana State University—Bozeman's 1994 President's Report (on file).

President Dennison distributed copies of the material that The UM—Missoula presented to the legislature during the university's presentation.

Dr. Sheila Stearns, chancellor of Western Montana College of The University of Montana, announced that (1) the Rural Education Center at Western had been recognized as one of five in the

country designated by the National Rural Education Research people to be a special research center; and (2) with the help of a United Way and other grants, they had established a Big Sky Telegraph Internet access at the local public library for all citizens of Beaverhead County.

With no other business to come before the Board, the meeting adjourned at 12:45 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*