



## MINUTES

Montana Board of Regents  
Montana State University-Northern  
May 29-30, 2008

Thursday, May 29, 2008

### FULL BOARD CONVENES

The Board convened at 8:30 a.m.

Roll call indicated a quorum present.

**Regents Present:** Lynn Hamilton Chair, Steve Barrett Vice Chair, Todd Buchanan, Clayton Christian, Kerra Melvin, Janine Pease, and Lila Taylor. Also present was Commissioner Sheila Stearns *ex officio*.

**Absent and Excused:** Superintendent of Public Instruction, Linda McCulloch *ex officio* and Governor Brian Schweitzer *ex officio*. Jan Lombardi represented Governor Schweitzer.

Regent Taylor moved approval of the minutes of the March 5-6, 2008 regular meeting, the March 21, 2008 conference call meeting and the April 29, 2008 conference call meeting. Motion passed 7-0.

### Introductions:

Commissioner Sheila Stearns introduced Mary Sheehy Moe as the new Deputy Commissioner of Two-Year Education. Interim Chancellor Groseth introduced Sue Ost, Steve Jamruszka and Joe Callahan of MSU-Northern. Regent Kerra Melvin introduced the new student regent, Mitch Jessen, who is currently a student at MSU-Western. Dean Mary Moe introduced the MSU-Great Falls COT new student body president, Mark Matheson.

### Commissioner's Report

Commissioner Sheila Stearns presented a report on the following topics:

- MUS Degrees and Certificates Awarded, 2007-2008.
  - ✓ The MUS, including the community colleges, awarded 7,747 degrees and certificates in 2006-2007 academic year.
- Fiscal Year Enrollment Comparison
  - ✓ 35,556 student FTE in 2008
  - ✓ Student FTE by Residency & Level
  - ✓ Student FTE by campus.
- Transfer Initiative

Bill Macgregor, Office of the Commissioner of Higher Education (OCHE), explained the MUS transfer website and available information regarding the work of the faculty councils, common course numbering and transferability of courses. He reported 2976 courses have been reviewed throughout the process to date. Not all courses transfer, but that those that do transfer are marked "equivalent" and transfer seamlessly. The Tribal Colleges have been active participants throughout the entire project.

Commissioner Stearns told the group this is a complex project and the intent is to make it consistent, simple and transparent.

## **Campus Reports, Issues, Highlights**

Commissioner Stearns presented the following campus highlights:

- UM-Missoula – groundbreaking for Native American Center, the Phyllis Washington Education Center.
- UM-Western - new student regent, Mitch Jessen, and Quality Supply gift for the university's biology program.
- MSU-Bozeman – record number of American Indian engineering graduates; research experiments on the Space Shuttle Endeavour in March, 2008.
- MSU great Falls COT – Interior Design Club went to national convention and received awards; the Practical Nursing program 100% of the students passed test.
- Miles CC – Spurr Watson, honored as a Phi Theta Kappa New Century Scholar. He was one of 50 award winners out of 1,700 applicants.
- MT Tech – Ryan Lance, President of Exploration and Production for Europe, Asia, African and the Middle East for Conoco Phillips graduation speaker.
- FVCC – culinary arts students' involvement with the Celebrate the Flavors event.
- Interim Legislative Committee Tour at UM Research and Commercialization in May. The committee will also tour facilities at MSU-Bozeman.

### **ADMINISTRATIVE, BUDGET AND AUDIT OVERSIGHT COMMITTEE**

Regent Barrett emphasized the budget process in preparation for the 2009 legislative sessions which involves a more collaborative approach with budget requests.

#### **ACTION**

- a. Approval of Campus Present Law Budgets ITEM 139-114-R0508

Mick Robinson, OCHE, explained the assumptions made in the "present law" budgets. The MUS used a process in moving an estimate of expenditures into the executive budget process for consideration. Approximately 75% of costs are associated with the personal services, which involves a 4% increase in the pay plan, while realizing this will be adjusted to what the state pay plan is. He emphasized the MUS fully realized adjustments will need to be made as the process moves along. The Montana University System gathered strong data in support of the present law costs, including IT costs, tuition waivers, utilities, O&M, and new space projections. The total funding request is \$62,675,046, if the state fully funded the WICHE and WUI students, based on the assumptions listed. He also explained the 5 agencies' budget requests, which do not receive tuition funding. The total amount of request increase for the 5 agencies is \$5.6 Million for the next biennium, incorporating similar assumptions as used for the educational units.

Regent Barrett noted the agencies had not been involved as early and thoroughly in prior legislative sessions. Therefore, as a result of the Agriculture Task Force recommendations, the BOR and MUS are including the agencies in the entire process to address this former concern.

- b. Budget Initiatives – Board Direction

Regent Barrett emphasized that the initiatives are a work in progress, based upon the fiscal reality, tuition increases, and the state pay plan with the potential for discussion of tuition increases.

Mr. Robinson explained the process for determining the initiatives. The 2007 legislative session allowed the campuses to maintain status-quo, but did not allow for new programs, other than one-time-only funds. The requests include system-wide, campus-specific, agency, and OCHE initiatives. Proposed priorities include full funding of the Present Law adjustments and the Pay Plan and the funding of the initiatives.

He explained the base appropriation requests for the education units including salary issues, doctoral education & research, combined campus initiatives, investment in 2-year education.

Mr. Robinson pointed out the requests for the agriculture experiment stations are for field equipment, which are badly needed.

Discussion:

- The 9% increase in IT fixed costs is a realistic inflation factor in the operation of the campuses due to major software issues, such as Banner, and an increase in the State IT bill.
- Targeted financial aid to make the campuses affordable and competitive.
- Guidelines and allocation process for the 2% salary pool funds. Mr. Robinson recommended allocating the money directly to the campuses.
- Anticipated tuition increases for non-resident students in relation to the graduate student proposals.

Regent Buchanan requested a conversation of what the guidelines would be for the 2% salary pool funds. Regent Taylor stressed the need to have the process for the 2% salary pool funds firmly in place prior to the legislative session.

Shannon Taylor, Chair of Faculty Senate at MSU-Bozeman, expressed appreciation for the conversations on retention and recruitment compensation.

Regent Barrett further clarified that the doctoral institutions are further from their peer states than the two-year institutions.

- c. Approval of MUS Long Range Building Program Priorities ITEM 139-118-R0508

Regent Barrett explained the list had been ranked by priority, and the highlighted items 1, 2, 6, and 13 were all energy projects. He said the LRBP list would be taken to the full board.

- d. Energy Conservation Resolution ITEM 139-110-R0508

Regent Barrett recommended moving the Energy Conservation Resolution for approval.

- e. FY09 Community Colleges Tuition Increases ITEM 139-115-R0508

President Jane Karas explained the community colleges reached the decision for this request by meetings with faculty, staff and students, which included student forums held for student input on the increases. While the students don't like additional costs, they agreed it was necessary to maintain the quality of education. President Karas said Flathead Community College Board felt their tuition was too low to maintain the current services, health insurance, utility costs, faculty issues, new buildings, library acquisition, and IT costs.

Public Comment: None

The committee agreed to move this recommendation forward to the full board.

President Karas stated she was hopeful that with the collaborative budget process with OCHE and the other campuses, that Flathead Valley Community College would not need to do this again.

Regent Barrett explained the tuition increases had been fairly significant, but yet appeared to be in the middle of other campuses in the state.

President Jim Cargill explained this was their attempt to provide an adequate food service on their campus, which needed to be mandatory in order for it to cover the costs.

Public Comment: None

The committee agreed to move this forward to the full board.

f. Approval of the Montana Research and Education Network  
Business Plan ITEM 139-116-R0508

Ray Ford, UM-Missoula, clarified this was approval for an out-of-state network and an in-state network upgrade. This was a fiscally responsible plan for dark fiber. With the funding from the legislature, connectivity to the ITSD/MUS network connections would be improved. It was explained that this was not a request for new money, but rather, a request for the reallocation of existing funds. The new State network contract would reduce the MUS costs initially needed for this portion.

Commissioner Stearns asked if this was in agreement with ITSD and Dick Clark.

Ray Ford explained this was a result of some difficult negotiations, but they were now at the point of having the design finalized. The contention had been with the vendor community. The new State contract had been awarded and they would continue to provide the bulk of the connectivity to the State. This compromise of what to do with the State money was well-received and agreeable.

Regent Barrett recommended approval to the full board.

g. Policy Adoption - Montana Environmental Policy Act Guidelines ITEM  
139-106-R0508

Dan Cody, UM-Missoula, presented background information regarding the policy on MEPA. He assured the group that the MUS had not been in non-compliance, but rather

needed clarification as to what did and did not need to go through the entire process. Currently, the MEPA law stated that everything had to go through the MEPA process. This policy clarified that not everything had to go through the process and provided guidance to the campuses in their efforts to comply with the MEPA.

Regent Barrett clarified that the MUS was already subject to MEPA, but this would provide clearer guidelines to the campuses.

The committee agreed to move the item forward to the full board.

## **DISCUSSION**

- a. Annual Presentation re: Montana Family Education Savings Program – Pacific Life Representatives

Robin Graham, Montana Guaranteed Student Loan program, and Tony Dufoe, Pacific Life gave the annual presentation.

Regent Buchanan said that the committee wanted to position itself for the next 3 year renewal. Regent Melvin replied that the current three year contract, as of June 1, 2009 could be renewed or changed and that the committee was checking for more or improved options.

Commissioner Stearns clarified that the committee was a statutorily created committee of seven members with representatives from the public, no decision-making ability, and to provide recommendations to the board. The committee was created to offer a Montana based 529 Family Savings Plan.

Regent Buchanan said that the current fees were typical for the industry, but that the committee wanted more options from their fund management company.

Regent Buchanan stated the committee was making no decision, but rather, was bringing the recommendations to the Board of Regents for decisions.

Public Comment: None

President Dennison introduced Siri Smillie as the new student representative from the University of Montana.

- f. Negative Fund Balances Update

Mick Robinson explained the Board of Regents had asked MSU-Northern to present information regarding their negative fund balance situation.

Interim Chancellor Groseth provided a briefing on the status of the negative balances in plant, auxiliary and general projections as well as formalized working arrangements to engage MSU-Bozeman in a direct partnership role for the management of MSU-Northern's fiscal affairs. He explained solvency plans for each of the areas. They had made progress and were currently operating evenly, rather than with negative balances. Mr. Groseth stated the FY 09 Projections and explained the improvements in process that had been made. Regarding buildings, Chancellor Groseth stated their objective was

to have those facilities operate in a manner that covered their costs, plus allowed for reinvestment back into the facilities.

Commissioner Stearns responded that most facilities were built with bonds, with the agreement that they needed to have enough funding sources to reinvest in the facility.

Regent Hamilton asked if there was a debt to MSU-Northern Foundation.

Mr. Groseth responded that they renegotiated those funds for payments in 2009, with an agreement to pay interest only on the debt beginning in FY09. They had an agreement to reduce the principal as well.

Regent Hamilton asked about the solvency plan listed for the auxiliary funds. Groseth responded that would be worked out with the MSU-Bozeman campus.

Regent Hamilton requested that the negative balance updates continue to be brought back to the Board of Regents.

Regent Buchanan asked for more information on MSU-Northern student enrollment. Interim Chancellor Groseth responded that they received the majority of their students from the north central Montana highline.

- g. Campus Finance Update – Reallocations
- h. Governmental Accounting Standards Board (GASB) Statement #45

Frieda Houser, OCHE, provided an overview of a new accounting standard (GASB 45) that will significantly change the financial reporting of retiree health insurance. The standard applies to all state and local governmental entities. The Montana University System (MUS) is required to implement the standard for this fiscal year, ending June 30, 2008. The rationale for the new reporting guidelines is that retiree health insurance coverage is part of the compensation package employees earn each year, even though the benefits are not received until retirement. Prior to GASB 45, retiree health insurance was on a "pay-as-you-go" basis meaning the MUS pays an amount annually equal to the benefits distributed or claimed that year. Under the new guidelines, financial information on retiree health insurance will be produced using actuarial valuations performed in accordance with the standard. The actuary hired by the MUS has provided an estimate of \$225 million as the cost for the MUS to provide current retiree health insurance coverage. Under GASB 45, this amount must be recorded as a liability. The total liability will be divided to each participant in the plan. The accounting standard does not require the liability to be funded. The fiscal year 2008 financial statements will be the first time these liabilities will be reported for the UM and MSU campuses.

## **INFORMATION**

- a. Audit Reports – KUFM Radio; UM-Missoula –June 30, 2007 - Unqualified Opinion
- b. Annual Status Report of Regents Building Authority; UM-Missoula
- c. Annual Status Report of Regents Building Authority; MSU-Bozeman

## **CONSENT**

- d. Increase the ASMSU Intramural Student Activity Fee; MSU-Bozeman ITEM 139-2009-R0508
- e. Policy Revision – Montana Rural Physicians Incentive Program ITEM 139-108-R0508
- f. Policy Revision – Negative Fund Balances ITEM 139-111-R0508
- g. Student Computer Fee Employment Allocation; UM-Missoula ITEM 139-1008-R0508
- h. Student Computer Fee Equipment Allocation; UM-Missoula ITEM139-1009-R0508
- i. Student Computer Fees Allocation; MT Tech of UM ITEM139-1505-R0508
- j. Student Computer Fee Allocation; MSU Billings ITEM 139-2701-0508
- k. Accept Gifted Property; UM-Missoula ITEM 139-1010-R0508
- l. Authorization for One-Stop Shop Remodel; MT Tech of UM ITEM 139-1501-R0508
- m. Approve Foundation Operating Agreement; MT Tech of UM ITEM 139-1502-R0508
- n. Life Safety Improvements PE Complex; UM Western ITEM 139-1601-R0508
- o. Grant Easement to USDE on Northern Ag Research Center; MAES & MSU-Bozeman ITEM 139-2008-0508
- p. Construct Outdoor Recreation Center; MSU-Bozeman ITEM 139-2010-0508
- q. Paint Existing Auxiliaries Facilities; MSU-Bozeman ITEM 139-2011- 0508
- r. Right of Way Agreement with the MT Dept of Transportation; MSU-Bozeman ITEM 139-2012-0508

The committee agreed to recommend passage of items a-r to the full board.

Public Comment:

Mark Peterson, State Advisory Committee, local agriculture research center, expressed appreciation to the Board of Regents, OCHE, and the campuses for improved communication with the agriculture communities this past year and urged consideration of passage of funding requests for agricultural needs.

Kari Callahan-Bronson, Friends of PBS, presented the regents with a DVD and thanked the BOR for past support of PBS and appreciation for consideration and support in funding for the next biennium.

## **ACADEMIC AND STUDENT AFFAIRS COMMITTEE**

### **ACTION**

- a. Revision of Board of Regents' Policy 806.1, Supervising teachers; payment ITEM 139-101-R0508

Roger Barber, Deputy Commissioner for Academic and Student Affairs, described this item to board members with a brief history: Nine years ago the Board of Regents agreed to create a policy in order to make supervisor teacher pay consistent across the University System. Revision of policy 806.1 gives campuses flexibility in supervising teacher pay and provides a process to ensure that pay is equitable throughout the

system and that the campuses are honoring the provisions of the policy. The change has been endorsed by all teacher education programs in the state as well as the academic officers. There was consensus to move the item forward to the full board.

- b. Exception to Board of Regents' Policy 301.12 A.A.S. degree in Physical Therapy Assistant, MSU-Great Falls College of Technology ITEM 139-104-R0508
- c. Exception to Board of Regents' Policy 301.12, C.A.S. in Health Information Coding, MSU-Great Falls College of Technology ITEM 139-105-R0508
- d. Moratorium status for programs that do not comply with Regent Policy 301.12 ITEM 139-107-R0508

### Level II Items

- a. Associate of Arts degree in Rehabilitation and Related Services, MSU-Billings ITEM 138-2705-R0108, ITEM 138-2705-R0108 Supporting Materials

Deputy Commissioner Barber described this item as part of the compliance project mentioned in the previous three items. This item is unclear in the materials in that MSU Billings has offered this program for a number of years. The policy indicates that two-year programs of A.A. or A.S. should not be specifically named. Through this action item, MSU Billings is revising their program by requesting an exception so the program can have a name. There was consensus to move the item forward to the full board.

- b. Certificate of Applied Science and Associate of Applied Science degree in Construction Technology-Carpentry, MT Tech of UM COT ITEM 138-1503-R0308, ITEM 138-1503-R0308 Supporting Materials

Deputy Commissioner Barber told the Board that the Montana Tech College of Technology has offered these degree programs under the two-year temporary approval process. It is now asking the Regents to include them in the institution's permanent degree inventory.

- c. Montana Math and Science Academy, MT Tech of UM ITEM 138-1504-R0308, ITEM 138-1504-R0308 Supporting Materials

Deputy Commissioner Barber reminded the committee that they also heard about this proposal as part of the budget initiative process in the Administrative, Budget and Audit Oversight Committee. Barber also explained that all academies come to the Board as level 2 proposals. Chancellor Gilmore is asking for formal approval. It was noted that money associated with this program had not yet been approved. It was asked if the action item should be approved without funding. Chancellor Gilmore sees the initiative as a funding request should be seen as separate from the academic request. He requested that the action item be approved and then funding be addressed. Regent Melvin voiced her concern about support from the K12 community.

Concerns were voiced about the effects of taking students out of high schools, i.e. funding for k12, tuition and fees for Montana Tech, testing scores at home high schools, etc. Commissioner Stearns agreed to create a task force to address issues. She agreed to help communicate between Montana Tech & K12 stakeholders. There was consensus to move the item forward to the full board with the following additions: A task force will be created to include k12 and Montana Tech stakeholders, and the word 'pilot' will be added to the title of the program.

## DISCUSSION

- a. Report on transfer students and the Regent policy on General Education - Roger Barber, OCHE

Deputy Commissioner Barber began the discussion by giving an overview of the general education pathways created by Board Policy 301.10. This report shows how transfer students use those pathways. Deputy Commissioner Barber suggested that there is a need for campuses to promote the MUS core. He urged the Board not to give up on this program based on the results of this report, but to continue to look at the MUS core as a viable option for students.

- b. Update on the 2007 – 2008 Montana University System Writing Assessment (MUSWA) - Jan Clinard, OCHE

Jan Clinard gave an overview presentation. The BOR initiated a writing & math proficiency program in 1995. Dr. Clinard described the increase in scores in the past few years and the rubric used to score proficiency. She described composition placement policy and explained the increase in scorer participation. Deputy Commissioner Barber called the MUS proficiency programs “brilliant . I would urge you as Regents to find two days in March to do this sometime in your career. I’m going to urge the Presidents & Chancellors, the Administrators, and the *math* professors out there to share this experience with K12.”

- c. Two-year education in the Gallatin Valley – President Gamble and David Dooley, MSU-Bozeman

The team of advisors from MSU Bozeman and Great Falls COT presented the update. Key points noted: Two year programs are needed in the Gallatin Valley, and MSU wants to serve the local community.

Concerns were voiced such as funding for the program (1.5 mill), fiscal and administrative effects of switching the administration from one campus to another on the MUS system and on the two organizations, the ability of MSU to continue to offer a program developed by GF COT, transfer of experience and expertise from a two-year college that specializes in developmental programs to a four-year with no experience in two-year programs, admissions and transferability of students in both programs, the cost to a student taking developmental courses while registered as an MSU student, the current and future model of the program. Deputy Commissioner Mary Moe stated that the program at MSU was draining the GF COT both fiscally and physically and that there was an urgency to move this project forward. Commissioner Stearns offered to create a task force to address the concerns of the BOR.

## INFORMATION

- a. Report on the accelerated approval process for certificates and A.A.S. Degrees - Roger Barber, OCHE
- b. Report on the site audits of Regent Policy 301.5.1, System of Controls - Roger Barber, OCHE

- c. Update on UM-Missoula summer program for at-risk students - Arlene Walker-Andrews, UM-Missoula

Arlene Walker-Andrews said UM-Missoula created an intrusive advising program where the students were required to meet with an academic advisor throughout the summer. She suggested that there is a need to get information to eligible students earlier in order to involve them in the program before they had made other plans for the summer.

- d. Teacher education and tribal colleges, MSU-Northern

Renee & Craig Wellman, graduates of the 2002 teacher education cohort for Native American students at MSU-Northern, presented their success story.

## **CONSENT**

Level I memorandum

Deputy Commissioner Barber said that these are academic changes that come to OCHE. There was consensus to move the item forward to the full board.

Public Comment: None

Committee Adjourned at 5:25 PM

**Friday, May 30, 2008**

## **WORKFORCE DEVELOPMENT COMMITTEE**

### **INFORMATION**

- a. Interim Legislative Dental Study Update

Alan Peura, Legislative Fiscal Division, gave an update on HJR 22, which was a request by the 2007 legislature to conduct a dental study. The legislature will receive a series of recommendations from the Postsecondary Education Planning and Budget Committee (PEPB). HB 395 of the 2007 legislative session, known as the "RIDE" (Regional Initiatives in Dental Education) bill was also discussed. Mr. Peura recommended: 1. increase student slots for the WICHE Dental and Minnesota Dental Programs; 2. Create dental incentive Student Loan Repayment Program for Dentists, which is a model similar to the MR PIP program; 3. Expand the dental services at Community Health Center Dental Clinics; and 4. a Student Service Payback/Clawback Program.

- b. Strategic Plan – Workforce Development Measure: *Increase Employer Satisfaction*

This report was a result of the request at the May 2007 BOR meeting to start reporting on employer satisfaction.

- c. MHA Healthcare Workforce Staffing Survey – Dick Brown, President, Montana Hospital Association

Dick Brown addressed healthcare workforce shortages in Montana as well as nationally. He presented a summary of a survey recently conducted on vacancy and turnover in healthcare workforce. The average age of nurses in the state of Montana is 50 years of age, which presents a genuine challenge for the future. Mr. Brown explained the reason for such high turnover is a combination of factors in which relocation was the most common reason.

Regent Taylor requested information on whether the people are relocating outside of Montana or staying within the state.

Commissioner Stearns said OCHE and SWIB could find more detailed information. Jan Lombardi offered that Pat Wise would gather the information on this for the regents.

Public Comment: None

## **STAFF AND COMPENSATION COMMITTEE**

Roll Call and Review of Minutes

### **ACTION**

Approval of new policy 730 (minimum qualifications for faculty in two-year programs)  
ITEM 139-103-R0508

Kevin McRae, OCHE, explained this item repeals Policies 720 and 730.6 and provides for consistent qualifications for faculty at two-year institutions. This new policy would replace those two policies, but is not equal in its expectations.

Public Comment: None

### **INFORMATION**

Compensation planning and pre-budget economic bargaining - Kevin McRae, OCHE

Mr. McRae explained the 2% target pool for recruitment and retention rates. He stated the 2 key issues are how the MUS can make the best use of resources to help the system teach and support students and, secondly, how can we provide the research and service functions expected of a university system. In his time spent with the Recruitment and Retention Task Force and the campuses, it is his belief that the Montana University System has lost significant ground in its ability to retain and recruit employees. The Board of Regents needs to decide to what degree should the board articulate the guidelines for the 2% salary pool or should the campuses be given the flexibility to determine how to use the salary pool funds since all the campuses have different needs. Mr. McRae has asked the campuses to distinguish their needs to justify the MUS needs as compared to the other state agencies. The Recruitment and Retention Task Force conducted a survey in which the results indicated the faculty and professional employees are significantly behind the national market. This disadvantages the MUS proportionally more than the state agencies because 60% of the jobs the MUS searches for are searched for nationally as compared to 10% of the

state agencies' positions. The rate of hiring someone new coming in from the outside outpaces compared to giving raises to those within.

Regent Buchanan responded with statements of a "moral hazard". He expressed concerns of the MUS campuses constructing new buildings, while at the same time requesting the 2% salary pool.

Regent Hamilton requested more information on the definition of moral hazard. She stated that when the BOR approves programs, this naturally adds a need for more employees. She also requested a conversation at the BOR level about the expectations for the 2% salary pool.

Regent Christian stated that recruitment is costing MUS more than retention costs for the campuses. He cautioned the group against risking losing the quality of the education the campuses offer.

Regent Pease requested clarification on the involvement of the 2-year colleges in the 2% salary pool. Mr. McRae responded that the COT's were included in this request and that the community colleges jointly had a separate 2% salary pool request as well.

Public Comment:

Marco Ferro, MEA-MFT, encouraged the regents to keep the 2% salary pool as a top priority. He was pleased with the pre-budget negotiation meetings that have taken place.

## **CONSENT**

OCHE Conflict of Interest Policy ITEM 139-109-R0508

Mr. McRae reported this was both regents' and public policy for public employees and officials. This policy was a statutory requirement and a management plan if employees believe they had an outside interest that conflicted with their business interest.

Cathy Swift explained this was a result of a culmination of audits on conflict of interest. All the campuses already had a conflict of interest policy and offer training on their campuses. This was already in place, but required approval by the Board of Regents. She clarified that this was an OCHE policy, and that OCHE had held mandatory trainings as well.

Regent Buchanan requested a broader definition of "related parties". He added that this same clause should apply to the regents as well and that they needed to be diligent about this.

Jan Lombardi read a letter from Governor Schweitzer regarding conflict of interest relating to Regent Pease. The letter explained that due to Regent Pease's new employment with Fort Peck Community College, she would need to abstain from participating in any discussions or voting on issues that involved Fort Peck Community College or its students.

The committee agreed to move the Conflict of Interest item forward to full BOR.

Staff Items

- a. OCHE ITEM 139-100-R0508
- b. UM-Missoula ITEM 139-1000-R0508
- c. Montana Tech of UM ITEM 139-1500-R0508
- d. MSU-Bozeman ITEM 139-2000-R0508
- e. MSU-Northern ITEM 139-2800-R0508
- f. Professor Emeritus of Accounting and Finance: Joseph Weber; UM-Missoula ITEM 139-1001-R0508
- g. Professor Emeritus of Dance: Amy Ragsdale; UM-Missoula ITEM 139-1002-R0508
- h. Dean Emeritus of College of Arts and Sciences and Professor Emeritus of Arts and Humanities: Gerald Fetz; UM-Missoula ITEM 139-1003-R0508
- i. Instructor Emeritus of Business Technology: Carol Hinricher; College of Technology, UM-Missoula ITEM 139-1004-R0508
- j. Instructor Emeritus of Business Technology: Vicki Micheletto; UM-Missoula ITEM 139-1005-R0508
- k. Instructor Emeritus of Applied Arts and Sciences: Karen Hill; College of Technology, UM-Missoula ITEM 139-1006-R0508
- l. Professor Emeritus of Management: Paul Polzin; UM-Missoula ITEM 139-1007-R0508
- m. Professor Emeritus of Geography: Katherine J. Hansen; MSU-Bozeman ITEM 139-2001-R0508
- n. Professor Emeritus of English: Paul Trout; MSU-Bozeman ITEM 139-2002-R0508
- o. Professor Emeritus of Architecture: Clark Llewellyn; MSU-Bozeman ITEM 139-2003-R0508
- p. Professor Emeritus of Chemical and Biological Engineering: John Mandell; MSU-Bozeman ITEM 139-2004-R0508
- q. Professor Emeritus of Chemical and Biological Engineering: Daniel Shaffer; MSU-Bozeman ITEM 139-2005-R0508
- r. Professor Emeritus of Animal and Range Sciences: Raymond P. Ansotegui; MSU-Bozeman ITEM 139-2006-R0508
- s. Professor Emeritus of Chemical and Biological Engineering: Max Deibert; MSU-Bozeman ITEM 139-2007-R0508

#### Labor Agreements/Other

- a. UM-Helena COT faculty ITEM 139-117-R0508
- b. UM Western faculty ITEM 139-118-R0508

Regent Melvin expressed concern of the removal of a student from the UM-Western Faculty Committee.

Regent Hamilton stated Item b to be removed from consent agenda due to the concern of the students.

McRae explained student seat allocation was included in a contract that was re-negotiated every two years. The student involved in the negotiation teams attended only one or two meetings at the beginning, but the negotiation process took an entire year and the student did not attend again.

Regent Melvin said it had been explained to her that there could possibly be some privacy issues with having a student on the committee as well.

Public Comment: Marco Ferro, MEA-MFT expressed appreciation for Kevin McRae's work and effort.

## Reports and Information

### a. Board of Regents' Meeting Calendar, 2008-2010

Regent Barrett requested the Board of Regents consider additional options of holding the Board of Regents meetings.

Regent Buchanan requested holding the personnel evaluations of the Commissioner and the two Presidents prior to the July meeting to allow the outgoing student regent to participate.

Dean Moe explained the value of the campus representatives interacting with their colleagues from the other campuses. This is one of the few times people throughout the system can interact. The MSU and UM campuses also use this opportunity to conduct meetings with their flagship campuses. Regent Barrett acknowledged the value of the interaction of the campuses.

Ray Ford volunteered to find some possible alternatives and work with OCHE on possibilities.

### b. K-12, Office of Public Instruction, Kindergarten to College Reports

Commissioner Stearns reported this would be on the future agendas to continue conversations on the seamless transition.

Jan Lombardi gave an update on efforts of the Kindergarten-College Committee. She listed 3 target areas that impact the entire education system.

1. Dual enrollment
2. Data system for connecting data from K-12 to Higher Education and
3. Education IT network

Jan Lombardi read a letter from Governor Schweitzer on the appointment of Regent Melvin as a member to the Western Interstate Commission for Higher Education (WICHE). Commissioner Stearns presented a gift from the Board of Regents to Regent Melvin. The Governor has appointed Kerra to the WICHE Commissioner (Western Interstate Compact for Higher Education) for 2007-2008.

Steve Meloy explained the new schedule for the Board of Public Education, which was a result of a request to avoid overlapping the dates for the Board of Public Education and the Board of Regents meetings. He expressed appreciation to OCHE for their involvement in the Distance Learning Task Force Phase II project which resulted in proposed language creating a Class 8 dual-credit only postsecondary faculty license. He reported that the Office of Public Instruction wants to create a policy writing

assessment for K-12 and to create awareness with teachers of the value of assessment.

c. Statewide Issues

Montana Agriculture – Director Ron de Yong, Department of Agriculture and Dean Greg Kegel, MSU-Northern

Director Ron de Yong spoke about the premier biotech facility at MSU-Northern. The trend is changing in agriculture, evolving to a more decentralized system of focusing on quality rather than just quantity and keeping products in the area, rather than shipping the product out. This is due to high fuel and rail rate prices, climate change and health issues. He explained that in order to meet the changing needs, they will need to work together with the university system.

Greg Kegel, MSU-Northern, explained the mission and direction of the BioEnergy Innovation and Testing Center which was created with a combination of grants, legislative appropriation and donations. The facilities include an engine performance lab, emission testing, fuel chemistry lab, and oil analysis lab.

## **BOARD DISCUSSION AND ACTION**

### Financial Aid

#### MUS Financial Aid Report Overview

Tyler Trevor, OCHE, presented the 2008 report, which was a response to a request by the legislature interim committee, PEPB, and the legislative finance committee. The committees had requested the MUS develop a comprehensive report on student financial and, providing findings and recommendations for achieving shared policy goals.

Shared policy goals:

1. Increase percentage of students receiving financial aid
2. Increase average amount of state-funded aid per student
3. Decrease the amount of unmet need in the MUS system

Options discussed were adding funds to existing state funded programs for the short-term and measuring and tracking student debt load for the long-term. The MUS wants to reduce the unmet financial need of the students.

Bruce Marks, Montana Guaranteed Student Loan Program (MGSLP) explained that the only loans they could track were the loans that they guaranteed.

Commissioner Stearns stated that the transferability initiative also gave the MUS the capability to track more data, which in turn would help the regents to better determine if this was a priority.

- Financial Aid Update – State & National Issues

Commissioner Stearns told the regents that a small group would be travelling to

Washington D.C. to meet with the federal delegation in June.

- MHE SAC Response to Regents' Task Force Recommendations

Regent Barrett expressed appreciation for the response from MHE SAC to every recommendation made by the Student Loan Task Force.

Jim Stipcich, SAF and MHE SAC, informed the group that MHE SAC had formed a sub-committee to address all the recommendations of the Student Loan Task Force. They found that MHE SAC was already doing many of the recommendations. He requested changing the wording in one of the recommendations to allow a student to serve on the MHE SAC and SAF boards. MHE SAC requested having a joint meeting with the Board of Regents and the MHE SAC Board.

Fred Flanders, Chair of MHE SAC, assured the group that MHE SAC was in full support of the task force recommendations.

Regent Buchanan also requested holding a joint meeting with the full boards of Board of Regents, SAF and MHE SAC and that both boards provide input on agenda for the joint meeting.

- Approval of Responses to Senators Baucus and Tester

Regent Barrett explained that the regents had charged the commissioner's office to draft the responses to Senators Baucus and Tester, which included a cover letter, a letter of request for a legislative audit and that it also provided copy of the task force recommendations.

Regent Barrett moved to approve the cover letter response and attachment letter to the congressional delegation.

Regent Buchanan requested that it be noted that the conversation with MHE SAC was to be ongoing.

Motion passed 7-0.

- Regents' Request for Performance Audit of MHE SAC and SAF

Regent Buchanan expressed interest in learning more of MHE SAC and SAF performance.

Regent Barrett responded that there would most likely be legislation addressing this issue, but that some issues would take time to work out. The Board of Regents' resolution stated that the Board of Regents would support legislation.

Regent Buchanan expressed interest in 3 parts:

1. Impetus in requesting an audit.
2. Holding a meeting of the Board of Regents and MHE SAC Board and
3. What strategies could the Board of Regents provide to assist in solving the student loan industry problem.

Representative John Musgrove explained he put forth legislation in the 2007 legislative session to address the student loan industry with no personal agenda involved. Additional legislation would require due diligence on everyone's part.

Public Comment: None

## **STUDENT REPORTS**

Student reports were given by:

- Shane Holden, MSU-Bozeman
- Siri Smillie, UM-Missoula
- Mark Matheson, MSU-Great Falls COT
- Robert Barnosky, MSU-Billings

## **COMMITTEE REPORTS & ACTION**

### **ADMINISTRATIVE, BUDGET, and AUDIT OVERSIGHT COMMITTEE REPORT**

Regent Barrett reported the current budget process had evolved to become a collaborative process. The current budget would be adjusted as the process moved along. The process involved meeting with the PEPB Committee, the Governor's Budget Office and the legislature.

#### a. Approval of Campus Present Law Budgets

Regent Barrett moved passage of item a. Motion passed 7-0.

#### b. Budget Initiatives

Regent Barrett explained the summary and stated that the regents would change the order of the initiatives. He clarified that the board would be sensitive to the recommendations of the Retention and Recruitment Task Force.

Regent Taylor moved to approve the budget initiatives with the following changes in priority: to move the two-8year education initiative as number one priority, followed by the targeted financial aid, and the 2% salary pool next. Motion passed 7-0.

The approved order of priorities were:

1. Investment in Two-year education
2. Targeted Financial Aid (residents)
3. 2% Pool for Critical Salary Issues
4. Doctoral Education & Research – Economic Development
5. Combined Campus Initiatives
6. PBS Satellite Up-linking Fund
7. Primary Care Workforce for Frontier/Rural Montana

Regent Barrett moved to approve the Proposed Initiatives in the order of priority listed above. Motion carried 7-0.

Regent Taylor said it was very important to be specific with the 2% salary pool funding.

- c. approval of MUS long range building program priorities

Regent Barrett moved approval of the LRBP priorities. Motion passed 7-0.

- d. Energy Conservation Resolution

Regent Barrett moved approval of item d. Motion passed 7-0.

- e. FY09 community college tuition increases

Commissioner Stearns clarified that the Dawson Community College tuition increase request was due to the auxiliary fee and not a tuition increase.

Regent Barrett moved approval of item e. Motion passed 7-0.

- f. Approval of the Montana Research and Education Network Business plan

Regent Barrett moved approval of item f. Motion passed 7-0.

- g. Policy Adoption – Montana Environmental Policy Act Guidelines

Regent Barrett moved approval of item g. Motion passed 7-0.

Regent Barrett reported on the three audit reports.

Regent Barrett moved approval of Items a-r of the Consent Agenda. Motion passed 7-0.

## **ACADEMIC AND STUDENT AFFAIRS COMMITTEE REPORT**

Regent Pease opened with an explanation of item a, which was a result of a year of conversations.

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

### **ACTION**

- a. Revision of Board of Regents' Policy 806.1, Supervising teachers; payment ITEM 139-101-R0508
- b. Revision of Board of Regents' Policy 301.1, Admission Requirements: In-State Undergraduates and The University of Montana-Western ITEM 139-102-R0508
- c. Exception to Board of Regents' Policy 301.12 A.A.S. degree in Physical Therapy Assistant, MSU-Great Falls College of Technology ITEM 139-104-R0508
- d. Exception to Board of Regents' Policy 301.12, C.A.S. in Health Information Coding, MSU-Great Falls College of Technology ITEM 139-105-R0508
- e. Moratorium status for programs that do not comply with Regent Policy 301.12 ITEM 139-107-R0508

Regent Pease moved approval of items b, c, & d. Motion passed 7-0.

Level II

- a. Associate of Arts degree in Rehabilitation and Related Services, MSU-Billings  
ITEM 138-2705-R0108

Regent Pease moved approval of item a. Motion carried 7-0.

- b. Certificate of Applied Science and Associate of Applied Science degree in  
Construction Technology-Carpentry, MT Tech of UM COT ITEM 138-1503-R0308,  
ITEM 138-1503-R0308 Supporting Materials

Regent Pease moved approval of item b. Motion carried 7-0.

- c. MT Math and Science Academy

Regent Pease moved approval of item c, contingent upon the word “pilot” be added to the title, and an advisory group be formed by OCHE with membership from OCHE, MT Tech and K-12.

Regent Buchanan clarified the intent was to approve the project as a pilot project.

Motion passed 7-0.

### **CONSENT**

Level I memorandum

Regent Pease moved approval of the consent agenda. Motion passed 7-0.

### **ACTION**

- a. Revision of Board of Regents’ Policy 806.1, Supervising teachers; payment  
ITEM 139-10-R0508
- b. Exception to Board of Regents’ Policy 301.12 A.A.S. degree in Physical Therapy  
Assistant, MSU-Great Falls College of Technology ITEM 139-104-R0508
- c. Exception to Board of Regents’ Policy 301.12, C.A.S. in Health Information  
Coding, MSU-Great Falls College of Technology ITEM 139-105-R0508
- d. Moratorium status for programs that do not comply with Regent Policy 301.12  
ITEM 139-107-R0508

#### Level II Items

- a. Associate of Arts degree in Rehabilitation and Related Services, MSU-Billings  
ITEM 138-2705-R0108, ITEM 138-2705-R0108 Supporting Materials
- b. Certificate of Applied Science and Associate of Applied Science degree in  
Construction Technology-Carpentry, MT Tech of UM COT ITEM 138-1503-  
R0308, ITEM 138-1503-R0308 Supporting Materials
- c. Montana Math and Science Academy, MT Tech of UM ITEM 138-1504-R0308,  
ITEM 138-1504-R0308 Supporting Materials

### **DISCUSSION**

- a. Report on transfer students and the Regent policy on General

Education - Roger Barber, OCHE

Mr. Barber explained the regents' recommendation to gather the above information and urged the campuses to market the core more. He stated this project would continue to be monitored closely.

- b. Update on the 2007 – 2008 Montana University System Writing Assessment (MUSWA) - Jan Clinard, OCHE
- c. Two-year education in the Gallatin Valley – President Gamble and David Dooley, MSU-Bozeman

Discussion followed in which it was determined that the Commissioner's Office would work on the next steps, the transition process and the responsible entities.

### **INFORMATION**

- a. Report on the accelerated approval process for certificates and A.A.S. Degrees - Roger Barber, OCHE
- b. Report on the site audits of Regent Policy 301.5.1, System of Controls - Roger Barber, OCHE
- c. Update on UM-Missoula summer program for at-risk students - Arlene Walker-Andrews, UM-Missoula
- d. Teacher education and tribal colleges, MSU-Northern

Commissioner Stearns explained the MIEA resolutions had been received after the Board of Regents agenda had been posted. The resolutions would be subject to future discussion.

### **CONSENT**

Level I memorandum

Public Comment: None

## **WORKFORCE DEVELOPMENT COMMITTEE REPORT**

### **INFORMATION**

- a. Interim Legislative Dental Study Update
- b. Strategic Plan – Workforce Development Measure: *Increase Employer Satisfaction*
- c. MHA Healthcare Workforce Staffing Survey – Dick Brown, President, Montana Hospital Association

## **STAFF AND COMPENSATION COMMITTEE REPORT**

### **ACTION**

Approval of new policy 730 (minimum qualifications for faculty in two-year programs)  
ITEM 139-103-R0508

Regent Christian moved approval of ITEM 139-103-R0508. Motion passed 7-0.

### **INFORMATION**

Compensation planning and pre-budget economic bargaining - Kevin McRae, OCHE

### **CONSENT**

OCHE Conflict of Interest Policy ITEM 139-109-R0508

Regent Christian moved approval of ITEM 139-109-R0508. Motion passed 7-0.

#### Staff Items

- a. OCHE ITEM 139-100-R0508
- b. UM-Missoula ITEM 139-1000-R0508
- c. Montana Tech of UM ITEM 139-1500-R0508
- d. MSU-Bozeman ITEM 139-2000-R0508
- e. MSU-Northern ITEM 139-2800-R0508
- f. Professor Emeritus of Accounting and Finance: Joseph Weber; UM-Missoula ITEM 139-1001-R0508
- g. Professor Emeritus of Dance: Amy Ragsdale; UM-Missoula ITEM 139-1002-R0508
- h. Dean Emeritus of College of Arts and Sciences and Professor Emeritus of Arts and Humanities: Gerald Fetz; UM-Missoula ITEM 139-1003-R0508
- i. Instructor Emeritus of Business Technology: Carol Hinricher; College of Technology, UM-Missoula ITEM 139-1004-R0508
- j. Instructor Emeritus of Business Technology: Vicki Micheletto; UM-Missoula ITEM 139-1005-R0508
- k. Instructor Emeritus of Applied Arts and Sciences: Karen Hill; College of Technology, UM-Missoula ITEM 139-1006-R0508
- l. Professor Emeritus of Management: Paul Polzin; UM-Missoula ITEM 139-1007-R0508
- m. Professor Emeritus of Geography: Katherine J. Hansen; MSU-Bozeman ITEM 139-2001-R0508
- n. Professor Emeritus of English: Paul Trout; MSU-Bozeman ITEM 139-2002-R0508
- o. Professor Emeritus of Architecture: Clark Llewellyn; MSU-Bozeman ITEM 139-2003-R0508
- p. Professor Emeritus of Chemical and Biological Engineering: John Mandell; MSU-Bozeman ITEM 139-2004-R0508
- q. Professor Emeritus of Chemical and Biological Engineering: Daniel Shaffer; MSU-Bozeman ITEM 139-2005-R0508
- r. Professor Emeritus of Animal and Range Sciences: Raymond P. Ansotegui; MSU-Bozeman ITEM 139-2006-R0508
- s. Professor Emeritus of Chemical and Biological Engineering: Max Deibert; MSU-Bozeman ITEM 139-2007-R0508

Regent Christian moved approval of items a-s. Motion passed 7-0.

Labor Agreements/Other

- a. UM-Helena COT faculty ITEM 139-117-R0508
- b. UM Western faculty ITEM 139-118-R0508

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

Public Comment: None

**Election of Board Officers**

Regent Taylor nominated Clay Christian as Vice Chair. Motion passed 7-0.

Regent Melvin nominated Regent Barrett as Chair. Motion passed 7-0.

Meeting adjourned at 2:00 PM.

Executive Session – MSU President Gamble’s annual evaluation