



**MINUTES**  
**Montana Board of Regents**  
**Montana State University-Northern**  
**May 27-28, 2010**

**Thursday, May 27, 2010**

Roll call indicated a quorum present.

Regents present: Chairman Stephen Barrett, Vice-Chair Clay Christian, Regents Lynn Hamilton, Todd Buchanan, Robert Barnosky, and Angela McLean. Commissioner Sheila Stearns *ex officio* was also present. Governor Brian Schweitzer, *ex officio*, was represented by Dan Villa. Superintendent of Public Instruction Denise Juneau, *ex officio*, was excused.

Regent Janine Pease moved approval of the minutes of the March 4-5, 2010 meeting, March 31, 2010 meeting, and the April 29, 2010 conference call meeting. Motion approved 7-0.

**Commissioner's and System Report**

- FY 10 Enrollment Report

Associate Commissioner Tyler Trevor explained the FY 10 Enrollment Report, which now includes the community colleges' information, showing growth over the past ten years, and highlighting growth per campus.

- COLLEGE!Now Update

Deputy Commissioner Mary Moe explained the overall goal is to increase the number of working adults in Montana with a postsecondary credential by 24,000 degrees by the year 2025. Crucial next steps: renaming the Colleges of Technology (COTs); re-envisioning COT leaders within co-located university structure; identifying regions; looking at how MSU-Northern, UM-Western and the tribal colleges fit into the overall plan for two-year education throughout the state; determining the role of the deputy commissioner for two-year education; seeking tribal college participation; finalizing dual enrollment protocols; identifying a "learning leadership team" on adult-friendly programming; coordination of curricular infrastructure through the regents transfer core and alignment of general education in workforce programs; developing the technological infrastructure for shared resources; and implementing system-wide data standards for "system critical" data elements.

- Regents' Workgroup Update and Dialog

Regent Todd Buchanan provided an update on possible recommendations coming out of the Regents' Workgroup, including a recommendation to adopt a formalized approach to prioritizing and aligning programs.

Regent Lynn Hamilton explained the webinar and the book *Prioritizing Academic Programs and Services* by Bob Dickeson, which provides a method for campuses to prioritize programs on their campuses. Regent Hamilton asked the board if it wants to consider doing this now, given the many projects they are currently working on.



Commissioner Sheila Stearns responded that Dr. Dickeson is willing to speak to the board at some point. Commissioner Stearns has already ordered copies of Dr. Dickeson's book for each of the regents and would like this to be discussed as part of the reform and reinvention possibilities.

Regent Buchanan said one of the outcomes would be to differentiate between the role and scope of the various institutions in the Montana University System (MUS). He recognized some courses or programs may not be funded as a result of this, but the goal is to strengthen and position the campuses and system as a whole. Regent Buchanan requested feedback from board members and campuses.

Commissioner Stearns said Dr. Dickeson recommends that campuses look at all the programs on their campuses. Commissioner Stearns is considering doing this as a pilot program in the commissioner's office, following the same criteria that the campuses would be asked to follow.

Provost Royce Engstrom suggested approaching this as a program alignment exercise for the campuses, which would force the campuses to review and align with their strategic plans.

Public Comment: Doug Coffin, UM-Missoula faculty, spoke on the importance of setting priorities, the value of degree attainment, and the perception of the importance of higher education.

- Addition to Strategic Plan; OCHE ITEM 147-118-R0510

Associate Commissioner Trevor said graduate education is a component that was missing from the MUS Strategic Plan and this item officially adopts this addition. Regent Morrison moved approval of ITEM 147-118-R0510. Motion approved 7-0.

- K-20 Shared Policy Goals

Associate Commissioner Trevor reviewed a set of draft shared policy goals which were developed by a subcommittee of the Education and Local Government Interim Committee of the legislature. The goals include remediation, distance learning opportunities, and utilizing K-20 data to improve student access and achievement. Regent Angela McLean moved approval of the Shared Policy Goals. Motion approved 7-0.

- BOR Conference Call Meetings

Commissioner Stearns told the board her office may schedule additional conference call meetings in response to important business from the campuses that arise.

**Two-Year Education and Workforce Committee**  
*(action to be taken the following day)*

**ACTION**



- a. Authorization to Transition the Operations of the MSU-Great Falls College of Technology in the Gallatin Valley to MSU-Bozeman; MSU-Bozeman and MSU-Great Falls ITEM 147-2901-R0510

President Cruzado and Dean Schaffer presented the item in accordance with materials provided.

Regent Buchanan noted a concern with approving the process without considering how to tap into a local levy for workforce development. Deputy Commissioner Moe noted the limited nature of the local tax and indicated that, as part of the COLLEGE! Now this may be addressed with the entire state in mind.

Regent Buchanan indicated support for integrated systems but he sees this agenda item as a step backward from the goals of the two-year initiative and he noted that the community does not want to fund this as the other COT communities have. President Cruzado said MSU is interested in providing programs which are needed in the Gallatin Valley, such as programs in culinary arts, hotel management, and aviation. There has not been a needs survey in the area since 1964.

Regent Pease stated that the regents previously approved these programs but for the MSU Great Falls-COT, not MSU-Bozeman. She noted the regents should utilize as rigorous a review process as was applied to the request for a new community college in the Bitterroot Valley in considering this issue, since this could be considered the creation of a new college of technology. She stated this shouldn't be done in the name of administrative efficiency, particularly in light of the fact that the Gallatin Valley enjoys a high average level of educational attainment.

Regent Barrett noted that the needs in the area have been demonstrated and that the local mill levy cannot be assessed as there is no legal mechanism for that. The system will work on a local supportive tax on a system-wide basis. He noted the need in the Bitterroot Valley was recognized and met without a local mill levy. He thinks the issue is as simple as how best to meet this need, which has been previously recognized by the board. He stated that, while Regent Pease's comments about the level of education is correct, there are still needs in the Bozeman area. As to duplication, he noted that issue is one to always be considered but that it should also be understood that some programs need to be available in certain locations, i.g., English, which is taught at every campus. He said the transition proposed is an administrative change and it has merit.

Regent Barnosky echoed this sentiment. He said the model in place is not working and the transition to MSU-Bozeman is good for students.

Dan Villa said the governor's office supports the item because the transition incorporates efficiencies in terms of use of space and facilities and efficiencies are needed now, in time of tight budgets. He said the duplication argument doesn't hold water because there is a lot of duplication in the system.

Regent Christian noted that this program will be well-utilized and will serve the greater number of students, despite its location in Bozeman, which may not be the neediest place in Montana.



Regent Hamilton raised four concerns: mission, partnership, money and capacity. She said this is not within MSU-Bozeman's mission and the regents should work toward a better model for delivering these services. She also noted that MSU-Bozeman doesn't have the right to use general fund money for developmental education under the Board of Regents restructuring guidelines. She thinks the board can do better in terms of a model for such services.

Deputy Commissioner Moe stated that the concerns stated are hers as well, but that, of the three choices available (require the Great Falls-College of Technology to continue in this mode, despite the disadvantages; tell the GF-COT to discontinue the services, despite the demand and record of success; or adopt this proposed resolution, she supports the item. Commissioner Stearns voiced her support on these points.

Regent Hamilton suggested that the item be moved forward without a recommendation from the committee and noted that the discussion could be continued at the full board meeting.

Public comment:

Marco Ferro, MEA-MFT, commented on personnel and bargaining issues related to this. MEA-MFT is working on a smooth transition for faculty currently working for MSU-Great Falls COT and is supportive of this item.

Bob Nalt, Havre, stated concerns of duplication of programs if this item is approved and said duplication of programs hurts those already in existence.

### INFORMATION

#### a. Community College Statute

Legal Counsel Cathy Swift explained the statutory process followed with the proposed creation of the Bitterroot Valley Community College. She said the MUS will propose changes to the process so the local vote would come after the regental and legislative reviews. This will be presented to the Legislative Education and Local Government Committee in June 2010.

#### b. Big Sky Pathways/Tech Prep/Perkins Update

Deputy Commissioner Moe explained the goal to incorporate tech prep funding into the Perkins funding in the future and that she will work with the group state-wide on this change. She notes that the federal Office of Adult and Vocation Education (OVAE) would conduct a monitoring visit in Montana in June. In preparing for the visit, her office anticipates a few changes in how they do business, but will wait for the OVAE findings before reporting back to the board.

### CONSENT

The consent agenda was approved by committee consensus.



**Staff and Compensation Committee**  
*(action to be taken the following day)*

**ACTION**

- a. Revision of Policy 712.1, Post-Retirement Employment ITEM 147-103-R0510

Kevin McRae, Director of Labor Relations, OCHE, explained this policy change would make letters of appointment consistent with BOR and MUS contracts for post-retirement purposes. This item specifies the commissioner has authority to approve post-retirement contracts.

**INFORMATION**

Progress of UM Presidential Search

Regent Clay Christian told the board the search committee has identified some candidates and references are being checked. The committee will identify a set of candidates to be interviewed by a subset of the committee and this group will determine which candidates will be selected for campus interviews.

**CONSENT**

The consent agenda was approved by committee consensus.

Chairman Barrett spoke in recognition of student Regent Robert Barnosky and his valuable service to the board. Regent Barnosky's term expires June 30, 2010. A new student regent will be appointed before the next scheduled board meeting.

The Executive Session relating to personnel matters was deferred to the executive session scheduled for Friday, May 28, 2010.

**System Action Items**

Deputy Commissioner Moore requested that action on the Mission/Vision plans to be delayed until the September BOR meeting. Chancellor Sexton said the campuses need to know where the board is heading with certain decisions before proceeding further on the Mission/Vision plans. He asked how decisions from the Regents' Workgroup will affect the campuses and what options the campuses have in this time of budgetary restraints. He stressed interest in maintaining the individuality of the campuses.

- a. MSU-Billings Mission/Vision Plan ITEM 147-2705-R0510
- b. MSU-Northern Mission/Vision Plan ITEM 147-2801-R0510
- c. UM-Western Mission/Vision Plan ITEM 147-1603-R0510
- d. MT Tech Mission/Vision Plan ITEM 147-1503-R0510

**Academic and Student Affairs Committee**



**ACTION**

Level II Action Items (from March submission)

- a. Master of Engineering Degree Program; MSU-Bozeman ITEM 146-2006-R0310

Provost Joe Fedoch, MSU-Bozeman, said this would meet the needs of licensure requirements as discussed at the March BOR meeting. Provost Doug Abbott, MT Tech, supported this program and stated that MT Tech may come to the board at a future time regarding using these courses in a Master's degree.

- b. Associate of Applied Science – Sustainable Energy Technician; MSU-Gr Falls COT, MSU-N, MSU-B COT, MT Tech COT ITEM 146-2854-R0310

Heidi Pasek, Associate Dean MSU-Great Falls COT, told the board this is a collaborative effort as a result of a grant received for the wind energy turbine built at Great Falls and the development of curriculum for sustainable energy. She said her campus has worked with other campuses offering similar programs and believes there is no duplication.

- c. Certificate of Applied Science – Sustainable Energy Technician; MSU-Great Falls COT, MSU-Northern, MSU-Billings COT, Montana Tech COT ITEM 146-2855-R0310  
d. Bachelor of Fine Arts in Media Arts; UM-Missoula ITEM 146-1010-R0310

Provost Engstrom told the board UM-Missoula already has a Bachelor of Arts degree and this request is for a Media Arts degree.

- e. National Center for Landscape Fire Analysis; UM-Missoula ITEM 146-1020-R0310

Provost Engstrom said this is a request to put in place a center to improve fire and fuels management at the landscape scale. The Center has strong support from the USDA Forest Service, including a base-funding line item in their budget.

**CONSENT**

Level I memorandum

Deputy Commissioner Moore reminded the board that the Level I Memorandum contains information approved by the commissioner's office.

Deputy Commissioner Moe clarified that the items for Miles Community College were ones that she had formerly put on hold while the board and OCHE discussed on-line duplication in a more general sense. Dr. Moe made the decision to move this forward until she and Deputy Commissioner Moore develop clearer guidelines for the campuses regarding on-line duplication of courses and programs.

**INFORMATION**

- a. Update on Admissions Review and Policy Consolidation



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Deputy Commissioner Moore said she is working on policy revisions and will bring the policy revisions to the board at one time, rather than individually.

### b. Distance Learning Survey

Deputy Commissioner Moore explained that the MUS e-Learning Advisory Committee identified some knowledge gaps around e-Learning. The committee set the goal of finding out what consumers were interested in regarding e-Learning, whether they had appropriate access, and whether consumers were interested in pursuing on-line degrees or were using e-Learning for workforce training needs. Full results from the "Distance Learning in Montana" survey will be posted on the MUS website in July 2010.

### c. Transfer Initiative – Bill Macgregor

Bill Macgregor, Director of the Transfer Initiative, OCHE, gave a status report on accomplishments, future goals and challenges. He said the intent is to provide students with a clear and transparent means of knowing which courses are equivalent across different campuses. Long-term goals include investigating funding models that incentivize both sending and receiving campuses in transfer situations; exploring regional transfer opportunities with contiguous states and Canada; and developing assessment protocols for the Transfer Initiative. Deputy Moe added that faculty throughout the MUS have looked at the outcomes of over 6,000 courses to date.

## **Administrative, Budget and Audit Oversight Committee**

### **INFORMATION**

- a. Status Report of Building Authority; The University of Montana
- b. Status Report of Building Authority; Montana State University

Deputy Commissioner Mick Robinson explained these reports list projects that have legislative authority and Board of Regents authority. The information can be used for reference purposes.

### c. FY10 & FY11 Campus Budget Reduction Allocation

Mr. Robinson explained that this document shows the allocation of the campus budget reductions for FY 10-11, showing the funding amount allocated to each of the campuses. These reductions, in total, were approved during the April 29, 2010 board conference call meeting.

### **CONSENT**

*(action to be taken the following day)*

The consent agenda was approved by committee consensus.

### **ACTION**

#### **Revised Operating Budgets**



Deputy Commissioner Robinson explained this is the combination of the budget reduction decisions made at the April 29 conference call meeting which are blended into these revised operating budgets. This authority is a net increase in the tuition revenue authority for the campuses. The downward movement in the previous budget reduction act has already been taken into consideration. Mr. Robinson said campuses are prepared to present the operating budgets for their campuses at the September BOR meeting at which time the campuses will present their specific information referencing the impact of budget reductions.

- A. Revision of Operating Budgets; FVCC ITEM 147-302-R0510
- b. Revision of Operating Budgets; MSU-Bozeman ITEM 147-2006-R0510
- c. Revision of Operating Budgets; MSU-Billings ITEM 147-2706-R0510
- d. Revision of Operating Budgets; MSU-Great Falls COT ITEM 147-2905-R0510
- e. Revision of Operating Budgets; UM-Missoula ITEM 147-1019-R0510

Mr. Robinson said campuses may maintain up to 5% of prior year campus revenue for reserves. He reminded the board this level had previously been 2% and that the board approved raising it to 5% at the April 29, 2010 conference call meeting. Regent McLean asked if it was possible to use some of the reserve funds for compensation purposes for faculty and staff. Regent Buchanan followed up with the question of the possibility of using this money to fill in funding for the agencies. Mr. Robinson responded that movement into and out of the operating reserve for the campuses will be addressed at the September BOR meeting, but cautioned the board that the increase in revenue they are looking at now is tuition revenue and explained that tuition revenue is not used in the funding of agencies.

Regent Pease told the board that the tribal colleges keep reserve funds of 75% of any given year's total expenses and that she consequently thinks having 5% reserve funds is a small amount of contingency savings.

Regent Christian said if the board is interested in using reserve funds, then the impact will need to be addressed when discussing tuition levels at the May 2011 BOR meeting.

### **Project Requests**

- f. Proposal to Move LaPeak, Lommasson Building; UM-Missoula ITEM 147-1008-R0510

Mr. Robinson explained that the board has authority to approve projects as long as the project is using campus revenue funds. This item is for approval of \$300,000 and would be funded with auxiliary funds of the campus.

- g. Dining Services Kitchen HVAC Improvements; UM-Missoula ITEM 147-1009-R0510

Mr. Robinson told the board that auxiliary revenues will totally fund this project.

- h. Approval to Construct Research Storage Facility at Flathead Lake Biological Station; UM-Missoula ITEM 147-1014-R0510





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Mr. Robinson noted that funding for this project comes from a combination of grant and private funds. Since this project is not funded with campus revenues, it needs to go through the governor's consent process.

- i. Authorization to Execute Purchase of Property; UM-Helena COT ITEM 147-1901-R0510

Deputy Commissioner Robinson said UM-Helena COT is trying to acquire properties in their previously approved acquisition zone as they come on the market.

- j. Authorization to Proceed with Residence Hall Wireless Project; MSU-Bozeman ITEM 147-2003-R0510
- k. Authorize Energy Audit for Auxiliaries Facilities; MSU-Bozeman ITEM 147-2004-R0510
- l. Authorization to Construct, Maintain, Repair and Replace Parking and Facilities; MSU-Billings ITEM 147-2702-R0510
- m. Authorization to Grant an Easement to Land and to Accept Grant of Land for Lewistown Campus; MSU-Northern ITEM 147-2803-R0510
- n. Authorization to Lease Portion of Fort Missoula to City of Missoula; UM-Missoula ITEM 147-1011-R0510

Deputy Commissioner Robinson said this authorization allows the city of Missoula to develop a parking lot to be maintained by the city in exchange for the city of Missoula to construct a bus shelter and bus stop for the use of UM-COT students.

### **Other**

- o. FY 12-13 MUS Present Law Budget Estimate; OCHE ITEM 147-117-R0510

Frieda Houser, Director of Budget and Accounting, OCHE, explained this budget estimate for the educational units and public service and research agencies was developed by working with campus and agency budget officers. In a normal budget year, the budget estimate is presented at the March meeting; however, this year the budget instructions from OBPP were issued late.

Ms. Houser said OBPP had requested the following reductions to State Allocations: \$3.4 million for the educational units for the biennium based on 4% general fund reduction in personal services budgets. The agencies were also requested to reduce an additional 4% of general fund personal services budgets, which amount to another \$726,000 reduction. She said these reductions are in addition to the Governor's reductions approved by the Board on April 29, 2010. The present law budget estimate continues the reductions made in FY 11. In addition, there is also the loss of tuition mitigation funding (one-time-only funding) of approximately \$17.6 million to the educational units in the current biennium. Ms. Houser told the board the educational units' state funding request is based on a percentage of resident/WUE students to the total student enrollment. For FY 12 and FY 13 the percent of state funding requested is 84%. This percentage covers resident students and WUE students whose tuition is set at 150% of resident tuition. The remaining 16% would be funded by non-resident student tuition. She stated that included in the budget request is the cost of unfunded students. Under the previous legislative appropriation, resident enrollment



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of 26,756 was funded. When that is compared to the actual FY 10 resident students, there are 1642 unfunded resident FTE.

- p. FY 12-13 MUS Long Range Building Program (LRBP); OCHE ITEM 147-116-R0510

Deputy Commissioner Robinson explained this list was presented as information during at the March BOR meeting. He clarified that the amounts included in the Cooley Lab project, and the funding associated with the grant for the Cooley lab project was removed from the list because it was already approved at a previous meeting. Mr. Robinson said the deferred maintenance project priority list will be moved forward to the legislative LRBP approval process. He added that the authority-only project will also be entered into the state LRBP process.

- q. Montana Family Education Savings Plan (MFESP) Asset Transfer; OCHE ITEM 147-114-R0510

Bruce Marks, Director of Montana Guaranteed Student Loan Program (MGSLP), told the board this item covers the transfer of the remaining assets from Pacific Life to College Savings Bank.

- r. FY 2011 Tuition and Mandatory Fee Rates; FVCC ITEM 147-301-R0510

President Jane Karas, FVCC, explained the FVCC trustees approved this request in April 2010. This is a 2.15% fee increase. Regent Christian commented on revenue increase from additional student enrollment.

Commissioner Stearns clarified that FVCC did raise their tuition during the FY08 and FY09, but not during FY10. Commissioner Stearns said the out-of-state tuition is reasonable and asked if that helps FVCC compete with other community colleges. President Karas agreed tuition at FVCC is high for a community college.

- s. Extend ASUM Transportation Fee To Part-Time Students; The University of Montana – Missoula ITEM 147-1016-R0510

President Dennison explained that currently, part-time students use the service but don't pay the transportation fee. This item would result in part-time students sharing the costs.

- t. Revision of Policy 1910, Vehicle Policy and Procedures; OCHE ITEM 147-119-R0510

Mr. Robinson explained this is as a result of a safety issue. He noted it is difficult getting alternatives to these vans and stressed that there may be fee requests related to the replacement of these vans, most notably increased course fees for courses which have need of the vans. Mr. Robinson told the board the commissioner's office will support those fee increases.

- u. MontPIRG Fee Assessment; UM-Missoula ITEM 147-1015-R0510

Ashley Williams, ASUM President, explained that students voted in favor of this fee. Regent Rob Barnosky asked what the oversight is for these funds and Ms. Williams responded that



MontPIRG oversees the funds according to specifications set by the group. Regent Pease asked how many students voted on this and what portion of the student body this represents. Ms. Williams replied that out of the 15,000 students at UM, 2,000 students voted, with 1,035 students voting in favor of the fee and 979 voting against the fee.

Regent Buchanan asked if there is a clearly defined process for this type of fee assessment on the campus. Ms. Williams answered that members of MontPIRG gathered signatures, went to the student government, who then approved this measure for the ballot.

Regent Barnosky said this process is backwards: having a fee automatically imposed, and requiring the students afterward to have to get their money refunded from a highly partisan group. Regent Barnosky said this is the way for MontPIRG to get the most money from students, but it is not good for the students.

Regent Pease said these fees should be asked for instead of automatically charged.

Regent Christian said he has concerns about the “opt-out” option instead of an “opt-in.”

Regent Barrett said he had read that the MontPIRG fee was terminated in the past and asked what happened to make that change. President Dennison responded that there was initially some concern with an organization such as this having a fee and that others would be wanting to do this as well. He said the MontPIRG policy was changed to include only the UM campus.

Chairman Barrett questioned why this would be restricted for just UM-Missoula campus and why wouldn't this include other campuses. He added that this is at odds with the fee process usually followed.

Regent Buchanan said his questions relate to the policy and procedure that would allow a process such as this or for the board to be involved in this.

Regent Hamilton said this is a demonstration of student involvement and advocacy.

Public Comment:

- Justin Trilling, a student spokesman for MontPIRG, spoke in support of the MontPIRG fee.
- Neal Burnett, MontPERG, spoke in support of MontPIRG and distributed a paper published by MontPERG.
- Eric Rose, recent graduate of UM-Missoula and former officer of ASUM, spoke in opposition to the proposed fee for MontPIRG. He read a letter from the College Democrats' group in which the group stated it is opposed to this fee because MontPIRG supports the same topics as the College Democrats group and is basically a duplication of efforts. Mr. Rose added that the College Democrats also feel the MontPIRG group should be held accountable and be required to adhere to the same fundraising regulations as the other groups on campus. He stated that the national MontPIRG representatives, not UM students, began a MontPIRG group at UM just this year. Lastly, Mr. Rose emphasized that MontPIRG did not go through the correct measures needed for any proposed fees.



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- Other students testified for and against the fee.
- v. MGSLP Fund Balance Transfer to Student Assistance Programs; OCHE ITEM 147-124-0510

Regent Christian explained this idea came from the governor's office to meet some of the budget backfills. Dan Villa explained they saw some reserve funds in the MGSLP budget and requested that the board approve this item that will backfill funding for the Digital Academy and for the Distance Learning Initiative.

Regent Hamilton said when the economic crisis occurred there was a lot of talk about the next shoe to fall would be the student loan industry. She asked what the risk is in spending this amount of reserve and, specifically, how it will impact the type of work GSL does in educating students on how to manage debt and other student services. Mick Robinson responded that there have been numerous discussions about the future of the student loan industry and the effect of that to MGSLP, but that there are still unanswered questions. He said it appears there will not be any new FFELP loans in Montana. Mr. Robinson said there is concern of the impact of this to MGSLP and the effect to students with student loans in Montana. He added that there is a possibility that there may be some contracting with the federal government and agencies for direct loans.

- w. BioFuels Research Project; MSU-Northern ITEM 147-2011-R0510

Chancellor Frank Trocki explained that the equipment being installed will generate electricity back into the MSU-Northern system.

The board recessed at 5:45 PM.

### **Friday, May 29, 2010**

The Board reconvened at 8:30 AM.

The executive sessions scheduled for the evaluations of Commissioner Stearns and President Waded Cruzado were deferred to a later time.

### **College Savings Bank Annual Report**

Dan Davenport, Chief Operating Officer, College Savings Bank, reported on the newly formed investor CD that was developed for Montana and said CSB will be introducing Vanguard products in Sept 2010. He told the board that College Savings Bank will be launching a complete on-line banking system by fall 2010.

## **COMMITTEE REPORTS, DISCUSSION & ACTION**

### **A. Administrative, Budget, and Audit Oversight Committee**

Public Comment:

Marco Ferro, MEA-MFT, suggested that the BOR make a public statement regarding a plan for how the university system will deal with faculty salaries. He told of morale problems and



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frustration by employees in the university system. He requested working with the university system for advocacy and the development of a plan regarding faculty salaries and proposed a committee comprised of representatives of the university system and MEA-MFT. Chairman Barrett and Vice Chairman Christian expressed concern about the effect of budget cuts on faculty salaries.

Larry Strizich, MSU-Northern faculty, spoke on the impact of the 15-passenger van, the increased expenses associated with this issue and the impact on the faculty.

### CONSENT

- a. Energy Services Contracts; UM-Missoula ITEM 147-1001-R0510
- b. Operating Agreement Between MT Tech and MT Tech Foundation; MT Tech ITEM 147-1502-R0510
- c. Extend Authorization of Multi-Year IT Plan; MSU-Bozeman ITEM 147-2005-R0510
- d. Authorization to Expend Student Equipment Fees; MSU-Bozeman ITEM 147-2010-R0510
- e. Authorization to Expend Student Computer Fees; MSU-Northern ITEM 147-2802-R0510
- f. Authorization to Expend Student Computer Fees; MT Tech ITEM 147-1501-R0510
- g. Authorization to Expend Student Computer Technology Fees; UM- Helena COT ITEM 147-1902-R0510
- h. Approval of Participants: Rural Physician Incentive Program; OCHE ITEM 147-104-R0510
- i. Revision of Policy 503.1, Alcoholic Beverages; OCHE ITEM 147-101-R0510
- j. Revision of Policy 1004.1, Naming of Buildings; OCHE ITEM 147-102-R0510

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

### ACTION

#### Revised Operating Budgets

- a. Revision of Operating Budgets; FVCC ITEM 147-302-R0510
- b. Revision of Operating Budgets; MSU-Bozeman ITEM 147-2006-R0510 |
- c. Revision of Operating Budgets; MSU-Billings ITEM 147-2706-R0510
- d. Revision of Operating Budgets; MSU-Great Falls COT ITEM 147-2905-R0510
- e. Revision of Operating Budgets; UM-Missoula ITEM 147-1019-R0510

Regent Christian requested information from OCHE on reserve fund balances and recommended using the Recruitment and Retention Task Force as the venue to work on the salary and compensation issues as referenced by Marco Ferro.

Commissioner Stearns said her staff shares concerns about the reserve funds and the tuition reserves and clarified that tuition reserves always go toward instruction needs.

Provost Engstrom said because of the large increase in students, UM has had to add many additional class sections with faculty and staff taking on increased workloads. Extra sections were paid for by the tuition reserves.



President Dennison assured the board that the September budget presentations will demonstrate where the funds have been used and how.

Regent Christian moved approval of action items a-e. Motion approved 7-0.

**Project Requests**

- f. Proposal to Move LaPeak, Lommasson Building; UM-Missoula ITEM 147-1008-R0510
- g. Dining Services Kitchen HVAC Improvements; UM-Missoula ITEM 147-1009-R0510
- h. Approval to Construct Research Storage Facility at Flathead Lake Biological Station; UM-Missoula ITEM 147-1014-R0510
- i. Authorization to Execute Purchase of Property; UM-Helena COT ITEM 147-1901-R0510
- j. Authorization to Proceed with Residence Hall Wireless Project; MSU-Bozeman ITEM 147-2003-R0510
- k. Authorize Energy Audit for Auxiliaries Facilities; MSU-Bozeman ITEM 147-2004-R0510
- l. Authorization to Construct, Maintain, Repair and Replace Parking and Facilities; MSU-Billings ITEM 147-2702-R0510
- m. Authorization to Grant an Easement to Land and to Accept Grant of Land for Lewistown Campus; MSU-Northern ITEM 147-2803-R0510
- n. Authorization to Lease Portion of Fort Missoula to City of Missoula; UM-Missoula ITEM 147-1011-R0510

Regent Christian moved approval of Project Requests f-n. Motion approved 7-0.

**Other**

- o. FY 12-13 MUS Present Law Budget Estimate; OCHE ITEM 147-117-R0510

Deputy Commissioner Robinson explained that the present law calculation will be forwarded to the executive budget planning process for the educational units totals \$8.2 million for the biennium for general operating increases; the MUS will also be requesting a funding increase for unfunded resident students of \$21,860,000 and there will be a request for present law increase for research agencies of \$698,000.

President Dennison added that the campuses need to know the regents' direction on how to address salary issues and that it needs to be included in the executive process.

Regent Christian moved approval of item 147-117-R0510. Motion passed 7-0.

- p. FY 12-13 MUS Long Range Building Program; OCHE ITEM 147-116-R0510

Regent Christian moved approval of item 147-116-R0510. The list of major construction priorities will not be moved forward. Motion passed 7-0.

- q. Montana Family Education Savings Plan (MFESP) Asset Transfer; OCHE ITEM 147-114-R0510

Regent Christian moved approval of item 147-114-R0510. Motion approved 7-0.



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- r. FY 2011 Tuition and Mandatory Fee Rates; FVCC ITEM 147-301-R0510

Regent Christian moved approval of ITEM 147-301-R0510. Motion passed 4-3, with Regents Buchanan, McLean and Christian voting no.

- s. Extend ASUM Transportation Fee To Part-Time Students; The University of Montana – Missoula ITEM 147-1016-R0510

Regent Christian moved approval of ITEM 147-1016-R0510. Motion passed 7-0.

- t. Revision of Policy 1910, Vehicle Policy and Procedures; OCHE ITEM 147-119-R0510

Regent Christian moved approval of ITEM 147-119-R0510. Motion passed 7-0.

- u. MontPIRG Fee Assessment; UM-Missoula ITEM 147-1015-R0510

Regent Christian noted that the ASUM resolution asked that the fee be assessed to the students for a one year period, 2010-2011. He stressed the importance of ease for students to opt out of the fee and added that, if it is not easy enough for students to opt out, the BOR will reconsider this action next year.

Chairman Barrett clarified that this is not an on-going fee and that the board is approving a one-year fee only and reminded the board that the students agreed to make a strong effort to educate the students on acquiring a refund of this fee.

Regent Buchanan requested that legal counsel Cathy Swift give the board information on how fees are elevated, to the BOR level and to suggest how to make the request for fee approval more concise and consistent.

Regent Pease stated concern with the timing of the fee request, since it is out of order with the regular MUS fee process.

Patrick Graham, ASUM, clarified that the date included in the resolution was originally for two years but was changed by ASUM.

Regent Barnosky said he has a great deal of concern about this because of when the board approves fees, they are looking at what services the fees are for. He stressed it was unfair to look at this fee because it is out of sync and is not a new service for students. Regent Barnosky told the board the answer he has been given by MontPIRG is that this group wanted this fee because they didn't think they would have enough funding if the students had to opt out. He added this is poor policy, he cannot support this for a particular interest group, and that it is unfair for this group to build a budget on the apathy or ignorance of students.

Regent Barrett said he could not support this fee if it was for longer than one year.

Regent Christian moved approval of ITEM 147-1015-R0510. Motion passed 5-2, with Regents Barnosky and Pease voting no.



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- v. MGSLP Fund Balance Transfer to Student Assistance Programs; OCHE ITEM 147-124-0510

Regent Hamilton expressed concern with the economic impact on programs and assistance for students. She asked if Governor Schweitzer has committed to going to the legislature to make sure to make the student loan programs remain solvent. Chairman Barrett said the governor's office has committed to working with the legislature, based on discussions the governor's office had with Regents McLean, Barrett and Christian.

Regent Christian moved approval of ITEM 147-124-R0510. Motion passed 7-0.

- w. BioFuels Research Project, MSU-Northern ITEM 147-2011-R0510

Regent Christian moved approval of ITEM 147-2011-R0510. Motion passed 7-0.

### **B. Academic and Student Affairs Committee**

#### **ACTION**

Level II Action Items (from March submission)

- a. Master of Engineering Degree Program; MSU-Bozeman ITEM 146-2006-R0310
- b. Associate of Applied Science – Sustainable Energy Technician; MSU-Great Falls COT, MSU-Northern, MSU-Billings COT, Montana Tech COT ITEM 146-2854-R0310
- c. Certificate of Applied Science – Sustainable Energy Technician; MSU-Great Falls COT, MSU-Northern, MSU-Billings COT, Montana Tech COT ITEM 146-2855-R0310
- d. Bachelor of Fine Arts in Media Arts; UM-Missoula ITEM 146-1010-R0310
- e. National Center for Landscape Fire Analysis; UM-Missoula ITEM 146-1020-R0310

Regent Pease moved approval of action items a-e. Motion approved 7-0.

#### **CONSENT**

Level I memorandum

Regent Pease moved approval of the Level I Memorandum. Motion passed 7-0.

### **C. Staff and Compensation Committee**

#### **ACTION**

- a. Revision of Policy 712.1, Post-Retirement Employment ITEM 147-103-R0510





Regent Christian moved approval of ITEM 147-103-R0510. Motion passed 7-0.

### CONSENT

#### Staff Items

- a. MT Tech ITEM 146-1500-R0510
- b. MSU-Great Falls COT ITEM 147-2900-R0510
- c. MSU-Billings ITEM 147-2700-R0510
- d. MSU-Northern ITEM 147-2800-R0510
- e. MSU-Bozeman ITEM 147-2000-R0510
- f. OCHE ITEM 147-100-R0510
- g. Associate Professor Emeritus of Business: Drenk; MSU-Bozeman ITEM 147-2001-R0510
- h. Professor Emeritus of Animal and Range Sciences: Gipp; MSU-Bozeman ITEM 147-2002-R0510
- i. Professor Emeritus of Art: Pollock; MSU-Billings ITEM 147-2701-R0510
- j. Professor Emeritus of Educational Leadership: Lundt; UM-Missoula ITEM 147-1002-R0510
- k. Professor Emeritus of Accounting and Finance: Regel; UM-Missoula ITEM 147-1003-R0510
- l. Professor Emeritus of Biological Sciences: Brewer; UM-Missoula ITEM 147-1004-R0510
- m. Professor Emeritus of Modern and Classical Languages and Literatures: Scott; UM-Missoula ITEM 147-1005-R0510
- n. Professor Emeritus of Geography: Wilson; UM-Missoula ITEM 147-1006-R0510
- o. Professor Emeritus of English: Siler; UM-Missoula ITEM 147-1017-R0510
- p. Revision of Policy 940.32, Tuition Waiver for Dependents ITEM 147-105-R0510
- q. Employee Equity Interest Policy 407; UM-Missoula ITEM 147-1010-R0510

Regent Christian moved approval of items a-q of the consent agenda. Motion passed 7-0.

#### Labor Agreements

- a. MSU-Northern Faculty Unit; OCHE ITEM 147-120-R0510
- b. UM-Western Faculty Unit; OCHE ITEM 147-121-R0510

Regent Christian moved approval of the labor agreements, a & b. Motion passed 7-0.

### D. Workforce Development and Two-Year Education Committee

#### ACTION

- a. Authorization to Transition the Operations of the MSU-Great Falls College of Technology in the Gallatin Valley to MSU-Bozeman; MSU-Bozeman and MSU-Great Falls ITEM 147-2901-R0510



Regent Hamilton said this item was moved forward to the full board without a recommendation from the committee.

Regent McLean said this item fits in with the MUS Strategic Plan.

Regent McLean moved approval of action item a.

Regent Hamilton told the board that this item creates a new College of Technology in Bozeman at a time of limited resources. She reminded the board that other campuses have excess capacity and could serve those students. She said she understands that MSU-Great Falls COT wants to stop providing these services in Bozeman, but she sensed that the intent of this item is that MSU-Bozeman wants a College of Technology. Regent Hamilton offered two amendments, to be included in the 'expectation section' of the item.

1. MSU-Bozeman will not use general fund dollars to support two-year education programs, personnel, services or operations, including developmental education beyond the parameters established in board policy and through restructuring guidelines until equitable local mill levy issues are resolved.
2. Future land grant income will be shared proportionally on the basis of FTE among the affiliated campuses of MSU.

Regent Hamilton moved approval of amendment #1. Motion failed 3-4, with Regents Barrett, Christian, Mclean and Barnosky voting no.

Chairman Barrett said the amendments go against the spirit of intent for this item and that the board should not impose amendment #1 on the Gallatin Valley community. Chairman Barrett said there is currently not a mechanism for the people in the Gallatin Valley to meet the requirements in amendment #1. Chairman Barrett reminded the board that they were able to meet the educational needs in the Bitterroot Valley area. He added that this is a way to include the local citizens in this.

Regent Hamilton said it is apparent that MSU-Bozeman has excess tuition revenue that could be used to cover the cost of this amendment. She said participating students could pay a learning fee that could offset the general fund support.

Regent Barnosky asked if it would be more equitable to have a COT instead.

Deputy Commissioner Moe told the board she has concerns in how the amendments will affect the College!NOW project. She thinks this would hinder further progress for the two-year campuses to be the regional hubs. Dr. Moe addressed the issue of equity and the parallel to the Bitterroot Valley and explained there are distinct differences between this request and the request for a new community college district in the Bitterroot Valley. The latter effort was seeking for the first time to create a new community college district and that process requires a far more stringent review than this reallocation of services. Dr. Moe said once the board moved away from the community college district process, with all its potential impacts structurally and fiscally, the regents began looking at which campus was the closest in geography that would be able to provide these services. Dr. Moe stated that this process is



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similar to what the regents did with the Bitterroot College Programs, but cautioned that she did not think the amendments were the appropriate way to proceed.

Regent Buchanan encouraged support for Regent Hamilton's amendments.

Regent Pease said this appears to be a College of Technology and stressed that if the board is creating a COT serviced by MSU-Bozeman, then they need to clearly state that. She told the board that the public needs to be fully aware of any action taken by the board on this. Regent Pease stated that just because it deals with remedial education does not mean that will be the core of what they do. She reminded the board that when the two-year services were originally voted on by the board, they were voting to have these services offered by MSU-Great Falls COT, not MSU-Bozeman.

Regent Christian said he supported the overall concept of the MSU-Bozeman proposal. He reminded the board that the overall goal is to serve students well. He expressed support for Regent Hamilton's amendments to a point, but added that he was concerned about the local mill levy. He asked if this was something the Gallatin Valley was willing to support. Regent Christian told the board he wants limits put on the amount of general funds that can be used until the local mill levy is resolved.

President Cruzado said Regent Hamilton's amendments appear to put MSU-Bozeman in a bind. She said MSU wants to serve the students, but that they are now getting conflicting messages and need clarification on the intent of Regent Hamilton's amendment. President Cruzado asked if MSU-Bozeman would be hurt inadvertently in the future if BOR policies changed at some point. She told the board that there is a general fund allocation in the MSU budget, but the proposed amendments appear to prohibit the campus from using general funds for this proposal. President Cruzado added that this indicates she is being asked to run the university in a different way than everyone else. She stated that the amendments would require MSU to pose the question of the mill levy to the Gallatin Valley, but she added that this transcends her power. President Cruzado said this needs to go through the legislative budget process first. She told the board she was not asking for preferential treatment for Bozeman and stated that MSU-Bozeman should have had the same structure originally as UM-Missoula. President Cruzado said as this proposal currently stands, she does not have the flexibility as a manager to make this work and that putting the restrictions in the amendments is unworkable.

Commissioner Stearns referenced the restructuring documents, in which it is stated: "State support for developmental education will be limited under normal circumstances to the community colleges and the colleges of technology, except for a four-year unit in a location with no two-year institution in close proximity." The commissioner said she supports what Regent Christian recommended, that is, not to put MSU-Bozeman in an untenable position.

With respect to Regent Hamilton's second amendment, Legal Counsel Cathy Swift explained that the land grant income comes from the grant of trust lands under the Congressional Enabling Act, which established Montana as a state and, in that act the lands are actually given to the state of Montana for the support of the land grant university. She said the language is quite specific and there has already been one audit exception based on MSU's allocation of some of the land grant money to other campuses through general bond obligations.



Regent Hamilton withdrew amendment #2 and offered a substitute motion: "MSU-Bozeman to assume responsibility for all on-going administrative costs associated with restructuring and MSU System Integration projects." Regent Hamilton told the board that the affiliated campuses transfer funds to MSU-Bozeman to cover costs associated with functions that resulted from restructuring. She said those costs may also be disbursed to the smaller campuses, and she would like to see that expectation as part of the Gallatin Valley two-year proposal because this proposal really is part of the College!NOW initiative.

Chairman Barrett said the amendment appears broader than the motion.

The board voted on Regent Hamilton's substitute motion "MSU-Bozeman to assume responsibility for all on-going administrative costs associated with restructuring and MSU System Integration projects." Motion failed 1-6, with Regent Hamilton voting yes.

Regent Buchanan offered a substitute motion for approval: "MSU-Bozeman will not, without board approval, use general fund dollars in excess of current expenditures for FY10-11 to support two-year education programs, personnel, services, or operations, excluding developmental education, until equitable local mill levy issues are resolved." Motion approved 6-1, with Regent Hamilton voting no.

President Cruzado told the board MSU could work with the spirit of Regent Buchanan's amendment motion, with the exception of concern regarding what happens if a local mill levy in the Gallatin Valley was not successful. She asked if MSU has to come back to the board every year if the local mill levy would not pass.

Regent Pease expressed concern that if expenditures were capped, might this also be capping enrollment.

Regent Hamilton reminded the board of past conversations indicating raising admission standards for the two research institutions to help the students be more successful. She stated concerns that this proposal would mean there is no incentive for students to take the rigorous core if they can get admitted into MSU-Bozeman or UM- Missoula by doing the minimal amount of work and get admitted through their co-located COT.

Dean Schaffer reminded the board the mill levy and admission standards discussions are system issues. He requested moving forward with the proposal as designed and pledged to work with the system and the board.

President Cruzado referenced the first part of Regent Buchanan's proposal and suggested the exchange of the wording "proposed budget" to replace the wording "current expenditures." Regent Buchanan agreed with the change in wording.

Regent Christian said the wording in Regent Buchanan's amendment makes the board more comfortable.

Chairman Barrett moved approval of Regent Buchanan's substitute amendment "MSU-Bozeman will not, without Board approval, use general fund dollars in excess of the proposed budget for FY10-11 to support two-year education programs, personnel, services or



operations, excluding developmental education, until equitable local mill levy issues are resolved.” Motion approved 4-3, with Regents Barrett, Barnosky and McLean voting no.

Regent Barrett moved approval of item 147-2901-R0510 as amended. Motion passed 6-1, with Regent Hamilton voting no.

### CONSENT

- a. Repeal of BOR Policy 404.1 – Indirect Cost Allowance; Perkins OCHE ITEM 147-115-R0510
- b. Revision of BOR Policy 303.1 – Curriculum Proposals, OCHE ITEM 147-106-R0510

Regent Hamilton moved approval of items a-b on the consent agenda. Motion approved 7-0.

### Kindergarten to College Focus: Montana Indian Education

Superintendent of Public Instruction Denise Juneau spoke on Indian Education For All and stressed that it is not just for Indian students. She said the intent is to provide authentic understanding on Indian culture. She told the board that the Office of Public Instruction (OPI) has developed Schools of Promise and Communities of Promise and explained these were a result of the process in which OPI has tiered or rated schools throughout the state. The largest tier needs no help, the middle tier need a moderate amount of help, and the smaller top tier needs a lot of support. Superintendent Juneau said the schools needing the most support are typically in areas of high poverty – poverty that is deep, is in remote areas, and is generational. She explained the goal is to make things look different in the five highest needs schools. Her office has received grant funding to work on this.

Commissioner Stearns commended OPI for the transformation work and for partnering with MEA-MFT. Commissioner Stearns asked how MUS can help with this project.

Superintendent Juneau responded that there are several ways for the university system to help:

- Teacher preparation
  - ✓ Teachers need to be prepared to teach students in poverty
  - ✓ Preparation of teachers in math and science
- Reading programs
- Math programs

Regent Hamilton asked if participation in this could be done through programs that currently exist in OCHE, regarding curriculum development, to help target where those resources are going.

Sandy Merdinger, Director of GEAR UP, said GEAR UP was designed to increase the number of students of first generation families to attend college. She informed the board that GEAR UP already has plans to direct funds to the five Schools of Promise, while trying to make sure there is not a duplication of services. She added that four of the five schools are MT GEAR UP schools and students from these five schools have already been invited to the GEAR UP summer camps. Ms. Merdinger added that GEAR UP is considering funding a parent coordinator in one of the schools.



Rene' Dubay, Director of TRIO, said there are 30 TRIO programs in the MUS and tribal colleges which reach 1,300 students. She told the board that financial aid handles the money barriers and TRIO handles the non-money barriers.

Regent Pease said tribal colleges have students graduating with less than proficient scores. She said 50% of incoming freshman students were placed in remedial education.

Kasie Murphy-Brazill, Director of Minority Affairs, said the MUS needs to continue to build pathways to make the current programs sustainable.

**Election of Officers**

Regent Buchanan nominated Regent Pease as vice chair of the BOR. Motion approved 7-0.

Regent McLean nominated Clay Christian as chair of the BOR. Motion approved 7-0.

Public Comment:

Nancy Hinman, faculty senate UM-Missoula, told the board the faculty does an annual evaluation of the president of the campus and suggested that information may be helpful to the board as they search for the next president of UM-Missoula.

- 11:30 AM Executive Session *SUB Crowley Conference Room*
    - President Waded Cruzado Evaluation
    - Commissioner Sheila Stearns Evaluation
- [Deferred to a future meeting due to time constraints.]**

The meeting adjourned at 12:00 Noon.

**Posted on**

**Approved by the Board of Regents on**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Stephen Barrett  
Chair, Board of Regents

