



MINUTES
August 2, 2011
Montana Board of Regents

The Office of the Commissioner of Higher Education-Helena

The board convened at 8:00 AM.

Roll call indicated a quorum present.

Regents present: Chairman Clayton Christian, Vice Chair Todd Buchanan, Regents Lynn Hamilton, Stephen Barrett, Teresa Borrenpohl, Major Robinson, and Angela McLean. *Ex officio* members Commissioner of Higher Education Sheila Stearns and Superintendent of Public Instruction Denise Juneau were also present. Governor Brian Schweitzer, *ex officio*, was excused.

Senator Bob Lake was introduced as representing the Education and Local Government Committee (ELG). He explained that the ELG committee asked him and Rep. Edie McLafferty (D-Butte) to represent them, their schedules permitting, at BOR meetings to continue dialog and collaboration between the university system and the legislature.

Regent Angela McLean moved approval of the June 7 and July 7 conference call minutes. Motion passed 7-0.

Comments by Chairman Clay Christian

Chairman Clay Christian noted that he is in the final steps of evaluating the proposals sent for the search related to the Commissioner of Higher Education position and that the search committee will consist of the seven regents.

INFORMATION

a. National Themes and Data *S. Stearns*

Commissioner Sheila Stearns spoke on national themes including:

- "The Completion Shortfall," as described by Complete College America, a Bill Gates Foundation funded initiative with 30+ states signed on at this point. CCA asserts that America is slipping behind our global competitors and between generations and that states should work together to address this issue.
- "Four Steps to Finishing First" – A Lumina Foundation summary of the key steps to educate more students affordably in America: performance incentives for institutions; student incentives for steady progress; new delivery models; and business efficiencies.
- *The Common Core State Standards: Implications for Higher Education in the West*, a document prepared by WICHE to explain the joint initiative of the National Governors' Association and the Chief State School Officers to better prepare students, across the country, for college and careers.

Superintendent of Public Education Denise Juneau reported on the state-led common core state standards initiative and explained the rationale why Montana has not signed



on to the national common core standards yet, noting that her office felt it was important to look at current state standards and alignment first. The goal is to eventually have a set of common core standards that are consistent state to state and town to town, to help students who move to another location. Superintendent Juneau has recommended that the Board of Public Education (BPE) adopt the common core standards in mathematics and language arts. Public hearings will be held regarding the standards, with implementation to occur at a later date.

Commissioner Stearns distributed *Principles for Effective System Leadership*, focused on the various duties in a university system of the Board, the system head, and the institutional presidents. The key areas: strategic planning and direction; performance assessment; balancing central authority with institutional differentiation, autonomy, and creativity; building interdependent support; and providing a collective and unified voice.

b. Redesigned MUS Website (www.mus.edu) T. Trevor

Tyler Trevor described the philosophy behind the new MUS website intended to provide readily available information for students and parents, including: prepare and pay, financial aid, financial literacy, admission standards, how to find a college, and campus degrees offered.

c. MUS Strategic Plan Overview T. Trevor

Mr. Trevor explained the redesigned strategic plan, highlighting measurements to track success, individual initiatives to meet those goals, and the added graduate education portion. Senator Bob Lake noted the usefulness of the strategic plan to the MUS and legislature as a sense of direction. Trevor said a campus dashboard indicator is presented at each board meeting and contains data that relates to the strategic plan.

d. Pell Grant Update and Student Financial Aid S. Stearns and Staff

Ron Muffick, Student Financial Services, informed the board of the national discussion pertaining to Pell Grants and noted that 50% of financial aid comes from Pell Grant funding in the form of grants or scholarships.

e. Level II Memorandum S. Moore

Deputy Commissioner Sylvia Moore noted the Level II Memorandum is a two-step process and the memorandum will come forward for action at the September BOR meeting. Dr. Moore noted that the Systems Ecology graduate program is related to the cooperative research and academic work that arose in conjunction with the recent EPSCoR grant proposal that did get funded by the National Science Foundation. It will be the first Systems Ecology graduate program in the northern Rocky Mountain area, and it is intended to grow to serve both UM campuses and MSU campuses.

Regent Barrett expressed concern that the proposed degree seems to be duplicative with the existing Ph.D. in Ecology at Montana State University. President Cruzado and President Engstrom noted that they view the efforts as complementary rather than duplicative. Regent Hamilton reminded the Board that, just as the Regents have emphasized two-year education, they also have charged our research campuses to



grow their research capacity, and graduate degree programs are an integral component of that growth.

CONSENT

- a. Staff Item: MSU-Bozeman *ITEM 152-2000-R0811*
- b. Staff Item: MSU-Northern *ITEM 152-2800-R0811*
- c. Northern Agricultural Research Center Easement Authority; MSU-Bozeman *ITEM 152-2001-R0811*
- d. Authorization to Purchase Property; UM-Missoula *ITEM 152-1001-R0811*
- e. Approval of University System/Employee Equity Interest, BOR Policy 407; MT Tech *ITEM 152-1501-R0811*

Regent Barrett moved approval of the consent agenda, Items a-e. Motion passed 7-0.

ACTION

- a. Common Approach Dual Enrollment Tuition Application; OCHE *ITEM 152-102-R0811*

Deputy Commissioner John Cech noted that the board requested a common approach for dual enrollment when they approved operational guidelines for dual enrollment in 2010. The proposal charges 50% tuition and also assesses tuition pertaining to the actual course fee, but mandatory fees will not be assessed. Phase 2 will include the community colleges. Dr. Cech said this was approached from an access standpoint, to reach out to high school students, as well as an opportunity to grow and develop the pathways for students.

Deputy Commissioner Mick Robinson said the intent is to fill capacity in classrooms. This proposal sets a tuition rate that would not require the campuses to use discretionary waivers to provide need-based aid for students, allowing the campuses to use discretionary waivers in other ways.

Regent Barrett moved approval of Item 152-102-R0811. Motion passed 6-1, with Regent Hamilton voting no.

- b. College!NOW "Extending Comprehensive Two-Year Mission to COTs' Mission Statement and 25 Month Work Plan Update; OCHE *ITEM 152-103-R0811*

Dr. Cech noted that Commissioner Stearns appointed a task force to address carrying out the comprehensive mission to the colleges of technology in Montana. The task force selected a communications firm, which has collaboratively developed the timeline presented and is centered around key elements of the Lumina Grant: productivity, attainment, and creating student incentives. Dr. Cech said meetings will be held this fall to begin the rebranding and renaming of the colleges of technology, with the proposals to be brought to the board for review in 2012.

Senator Bob Lake requested including the point in the timeline regarding promotion to



high school students in order to convey the efforts of the board to students and the legislature.

Regent Angela McLean moved approval of Item 152-103-R0811 to include the suggested changes made by Senator Lake. Motion passed 7-0.

c. Trust Land Cabin Site Issues

Regent Barrett noted the results of SB 409, "Revise Methods to Establish Rental Fees and Sale of State Land Cabin Sites," in the 2011 legislative session and that MUS campuses are the beneficiaries of the Trust.

Regent Barrett moved that Commissioner Stearns "is authorized and directed to take such actions as are necessary to resolve the currently existing trust land issues involving cabin site lease rates, with authorization to work with DNRC and other state agencies, including if necessary, seeking clarification of the legal issues through the courts."

Legal Counsel Cathy Swift noted the seriousness of this issue for management of the trust lands. The regents have the responsibility to safeguard the assets of the university system, including their trust lands. She said DNRC had estimated the cost of this legislation to the MUS campuses at \$4.1 million over three years.

Motion passed 7-0.

Public Comment

Doug Coffin, President of UM Faculty Association, spoke on the importance of college and the relationship between a college degree and the impact to the economy.

Operational Review of OCHE Programs *S. Stearns and Staff*

Commissioner Stearns reviewed the MUS organizational chart and noted FTE and operating budgets by programs managed by the commissioner's office.

Commissioner Search

Chairman Christian requested discussion and direction from the board in finalizing the search firm for the commissioner's search. The regents agreed that the search committee would consist of the seven regents. Discussion followed in which the board agreed that the process would include: regent review of current documents (commissioner job description, etc); development of written materials regarding the type of person to be recruited and the needed skill set; board finalization of a job description; provision to the finalists of historical MUS documents pertaining to how the MUS has evolved; engagement of a search firm; and ensuring campus, OCHE and public participation in the process.

The board reached consensus authorizing Chairman Christian to hire the search firm and make the appropriate arrangements with the selected firm, based on feedback from the board.



BOR Committee Workplans and Goals: Committee Chairs and OCHE Staff

- Academic, Research, and Student Affairs Committee (ARSA)

Regent Buchanan, chairman of the ARSA committee, noted the committee goals including working with campuses to prioritize programs; intrusive advising, including movement towards implementation of a degree audit system; innovative delivery of curricula, especially in the area of teacher preparation; and the oversight of the implementation of the \$20 million EPSCoR Track I grant.

Associate Commissioner Trevor spoke on best practices including improving communication and outreach about the affordability of higher education in Montana, investigating multiple variables that impact affordability, such as the role of tuition, the role of Student Financial Services (in OCHE's ARSA division), and recommendations pertaining to process and policy changes, such as the timing of tuition decisions.

Deputy Commissioner Moore provided the board with an organizational chart for Academic, Research, and Student Affairs that noted the programs and services in each of the three major areas.

- Two-Year and Community College Committee

Regent Steve Barrett, chairman of the community college committee, noted the committee goals, including: extension of a comprehensive two-year mission to the five COTs; rebranding and renaming the five COT's; increased partnerships and collaboration; and establishment of a statewide common approach to dual credit, tuition and enrollment procedures.

Regent McLean asked the committee to review dual enrollment guidelines to make sure the guidelines are doing what they were intended to do.

- Administrative, Budget, and Audit Oversight Committee

Regent McLean, Chairperson of the budget committee, said she looks forward making decisions based on business practices and the existing budgets.

Regent Hamilton noted that she wants to see the "bottom line" of costs.

Deputy Commissioner Robinson noted that the MUS budget cycle has already begun, with campus budgets to be reviewed at the September board meeting. Dennis Jones, National Center for Higher Education Management Systems (NCHEMS), will conduct a meeting in September focused on operational budget decisions, metrics, measurements, and defining the outcome of the allocation model.

Mr. Robinson said the board also needs to address national trends, whether or not key board policies need to be edited or are no longer needed, and providing education to elected and political candidates to ensure a comprehensive understanding of MUS



budgets and operational issues.

Commissioner Stearns suggested that the board start the process for the Budget and Program Office (OBBP) and long range budget program (LRBP) for the MUS earlier to ensure more effective communication with the Governor and with legislative interim committees and leaders.

- Staff and Compensation Committee

Regent Major Robinson noted goals of: competitive entry-level salaries; guiding the human resource management strategies of the MUS for maximum return on investment in the faculty, staff, and administrators who deliver education; research and service to the public; review and update of personnel and compensation policies; review of the health insurance cost trajectory and its fiscal impact on human resource investments; salary competitiveness and management.

Associate Commissioner Kevin McRae said the work of this committee guides human resource strategies and management to maximize the resources to benefit the students, staff, and faculty across the MUS. Chairman Christian recommended inserting follow-up work of the 2009 Retention and Recruitment Task Force into this committee.

The board recessed for the purpose of executive session at 11:45 in Commissioner Stearns' office. The executive session is to discuss matters of the potential naming of a campus building and is closed for the purpose of individual privacy.

BOR RETREAT AND SELF-ASSESSMENT

The board met for the purposes of self-assessment and planning. Presidents Waded Cruzado, MSU, and Royce Engstrom, UM, participated in the planning and self-assessment portion of the meeting.

Commissioner Stearns called attention to a matrix for the board to use for self-assessment including areas including meaningful goals and strategies, affordability, funding priorities, performance, incentives, reallocation, advocacy, advancing and assuring student learning and completion, program additions, eliminations, competition and collaboration, reforming teacher education, board readiness and effectiveness, partnerships with elected policymakers, leverage points for board leadership, working with institutional leaders, staff capacity, information resources, board monitoring and accountability, civic leader engagement, and relationships with K-12. The matrix is attached to the minutes.

Discussion points:

- How can the board assist the campuses
- The board enables the campus CEO's to maintain focus
- The importance of advising and its role in retention
- The board's clear direction of priorities is valuable to the campuses.
- Partnerships with elected officials
- Who carries the advocacy message to elected officials



- Discussions with key policy leaders on student learning and completion
- Importance of how we present our information to external groups/individuals
- Need to do some processes differently
- Degree completion is a high priority and a continuing challenge
- The importance of close alignment with K-12 pertaining to college prep courses and college readiness
- More business and civic leaders should be involved to speak to legislators on behalf of higher education throughout the legislative cycle
- The campus strategic plans contain many of the topics in the documents addressed as part of the self-review
- Need for data regarding reasons for not completing college – Readiness reasons? Financial reasons?
- Shared responsibility of education – board, campuses, K-12, legislators, business and civic leaders
- Importance of faculty input
- Board has plans and goals, but it is sometimes a challenge for the campuses to execute the plans
- Work with faculty input on identifying obstacles and success, while also sharing board's goals with faculty
- Work through faculty senate groups to engage people and to advocate for higher education
- Board work with institutional leaders, who in turn work with faculty and staff to achieve the board's goals
- System data, including dashboard indicators, and presentation of the data is helpful to campus CEO's

Commissioner Stearns led a discussion on the document *Characteristics of Board Effectiveness*.

Discussion points:

- The board has worked cohesively
- The board has addressed changes that are good for the state of Montana and good for the university system
- The board has not necessarily been a risk-taking board, but perhaps the time is appropriate for the board to take more risks and bold steps for change for selected issues/projects
- Communication with the board has been good
- Strategic change has been engaged in the shift from individual institution effort to systemic effort
- Shared governance is helpful and essential; communication is key.
- We need to take calculated risks to improve completion rates by larger percentages
- Favorable progress has been made on the transferability project and common course numbering
- In order to identify a high priority, the board needs to make sure it has the resources to accomplish it.



- The board needs to take more credit for accomplishments
- It is an ethical board, committed to identifying and addressing any potential conflicts of interest
- Strategic plan is a guiding document for setting campus direction
- Good progress has been made system-wide in conveying the message that the board expects the system to behave as one university
- Legislators need to know how higher education affects their children, grandchildren, community, and the state
- For communication purposes, the board needs to determine three major themes that the MUS needs for students and the state: focus on those points to demonstrate to the legislature that the state gets a significant return on the investment made to higher education
- There is a need for long-term consistent advocacy for higher education and its value to Montana
- It is important to develop specific legislation focused on a specific priority of the board
- The continual drop in general fund appropriations to higher education is a huge concern
- There is a need to highlight current growth in collaborative work by the campuses and the pooling of resources
- The MUS recruits on a national basis and we need to consider how to address the competitive challenges from the perspectives of quality and market realities.

Commissioner Stearns offered that Presidents Cruzado and Engstrom and she will identify several themes for the Board's consideration.

Commissioner Stearns recommended that the board use professional counsel for self-evaluation at three-year intervals.

The meeting adjourned at 3:15 PM.

Approved by the Board of Regents on

Date

Date

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

Clayton Christian
Chair, Board of Regents