



**MINUTES**  
**Montana Board of Regents**  
**Great Falls College Montana State University**  
**May 22-24, 2013**

**Wednesday, May 22, 2013**

Executive Session

Annual Reviews:

- President Royce Engstrom
- President Waded Cruzado
- Commissioner Clayton Christian

**Thursday, May 23, 2013**

The board meeting convened at 8:15 AM

Roll Call, Approval of Minutes, and Introductions

- March 7-8, 2013 Minutes
- April 24, 2013 Conference Call Minutes

Roll call indicated a quorum present. Regents present: Chairman Angela McLean, Regents Todd Buchanan, Jeff Krauss, Joseph Thiel, Paul Tuss, and Major Robinson. Commissioner of Higher Education Clayton Christian, *ex officio*, was present. *Ex officio* members Governor Steve Bullock and Superintendent of Public Instruction Denise Juneau were excused. Superintendent Juneau was in attendance on May 24.

Regent Paul Tuss moved approval of the minutes as amended from the March 7-8, 2013 meeting and the April 24, 2013 conference call meeting. Motion approved 5-0, with Regent Robinson abstaining from voting.

Regent McLean noted the Board of Education (Board of Regents and Board of Public Education) meeting will be held on July 16 in Helena.

**Commissioner's and System Report**

- **2013 Legislative Session Overview**
  - **College Affordability Plan (CAP)**

Commissioner Clayton Christian spoke on the successful outcomes of the recent legislative session. He noted the College Affordability Plan (CAP) is a pledge from the Board of Regents (BOR) to implement a resident-student tuition freeze if certain funding conditions are met, such as present-law adjustments and pay plan funding. He noted the CAP is a tuition freeze, but is not necessarily an expenditure freeze. The Commissioner's recommendation is that the funding levels were consistent with and sufficient to honor CAP. Commissioner Christian highlighted bills with significant impact to the Montana University System (MUS), which included HB 2, HB 13, and



performance funding.

Associate Commissioner Tyler Trevor gave a presentation on legislative appropriations, per resident student FTE in comparison with the educational units in the MUS. He noted this is the highest level of funding the university system has ever had in relation to resident FTE.

Commissioner Christian added that while the MUS received historic levels of funding, the university system is also at historic levels of enrollment.

Commissioner Christian told the board that funding received in the legislative session will allow the MUS to invest a portion of funding in performance-based funding. He noted performance-based funding is a national trend which will also provide more accountability by the MUS to the legislature. Commissioner Christian said this essential system-wide initiative will include broad involvement from faculty, students, staff and administration.

Associate Commissioner Trevor explained the concept of performance based funding, short and long-term plans that have been developed, and the taskforce has been working on a model to allocate the funds. The taskforce has developed recommendations, goals and metrics for the first year of the biennium and will create plans to allocate performance funds in the second year of the biennium.

## o **System Initiatives / New Programs**

Commissioner Christian noted system initiatives focused on Veterans Success; Workforce Development and Two-Year Education; WWAMI Expansion; Veterinary Medicine; Energy and Natural Resources Doctoral Program and; Medical Residency Expansion.

Director of Student Financial Services Ron Muffick, OCHE, noted the Veterans' Success Initiative is focused on ensuring dedicated space for veterans on the campuses, tracking enrollment and student success, retention and completion rates, and workforce placement.

Deputy Commissioner John Cech noted the goal of the Workforce Development and Two-Year Education Initiative is to incentivize campuses to expand dual credit opportunities, develop innovative workforce training programs designed for adult learners and to encourage partnerships with Perkins, federal grants, business and industry, and Big Sky Pathways programs.

Commissioner Christian stated that the legislature granted funding to increase slots in WWAMI (Washington School of Medicine for Washington, Wyoming, Alaska, Montana and Idaho) for the first time in 40 years, increasing the number of new students entering the program from 20 -30, which will result in a tremendous increase in medical education outreach opportunities. In addition, the MUS received \$400,000 for medical residency expansion. This funding will provide a large increase in the number of three-year graduate medical residency slots available in Montana, growing the number of slots from 6 to 78 by 2017.



The legislature provided funding for the Veterinary Medicine initiative to launch the Montana Cooperative Veterinary Medicine Program, which is a joint program between MSU-Bozeman and Washington State University, reported Commissioner Christian. The students complete the first year at MSU-Bozeman and complete the remaining three years at the University of Washington.

Commissioner Christian noted the intent of the funding for the Energy & Natural Resources Doctoral Program is to develop and support a collaborative Materials Science doctoral program.

Deputy Commissioner Cech noted the Community College Workforce Development funding is to assist Miles and Dawson Community Colleges meet the demands of the growing workforce in eastern Montana.

MSUN Bio-Energy Research Center funding will further develop bio-energy research at MSU-Northern. Chancellor Jim Limbaugh noted this will create degree programs focused on energy development.

Commissioner Christian noted the additional funding for Tribal College Assistance at Montana's tribal colleges for funding of non-beneficiary students.

President Cruzado commented on the importance of the funding for the Extension Service and Local Government Centers to their local communities.

Commissioner Christian said funding for the Montana Bureau of Mines and Geology are to assist with expenses for making data records available to the public in an online format.

Commissioner Christian said the university system did not receive funding for the integrated information system, but encouragement from the legislature to continue moving forward in that area.

- **Long-Range Building Projects**

Commissioner Christian spoke on the building projects throughout the MUS that were funded in the legislative session. He explained the Authority Only Projects and the match requirements for specific projects.

Chair McLean noted that the process and plan for performance based funding will be determined by the university system and the board. She also encouraged Presidents Engstrom and Cruzado to work with their affiliate campuses in delegating appropriate funds to those campuses.

- **Other Legislation**

Associate Commissioner Trevor noted the national Complete College America project and SJ 13, which requires the university system to develop a set of metrics, universal



set of goals and performance measures directed at increasing college completions. Mr. Trevor will provide additional information to the board at a future meeting.

Commissioner Christian noted the MUS had concerns about HB 240 due to the guns on campus issues. Governor Steve Bullock vetoed the bill, as campuses already accommodate guns in a safe manner by requiring the guns to be in a designated locked facility when not in use.

President Engstrom noted the legislature approved that the memorial at UM-Missoula be designated as the official state Iraq and Afghanistan Veteran's Memorial as a result of HB 351.

- **FY13 Enrollment Report**

Associate Commissioner Trevor gave a presentation on the major trends shown in the FY 13 enrollment report. He attributed the enrollment decline to the natural decline in the state's population of high school graduates. Mr. Trevor pointed out that enrollment increases at the two-year campuses are partially due to the lower tuition rates at the two-year campuses. He noted that the number of high school graduates attending college immediately following graduation has started to decline. Mr. Trevor noted trends in the system-wide report, which showed short-term and long-term projections.

## **ACADEMIC, RESEARCH, AND STUDENT AFFAIRS COMMITTEE**

*Committee Members: Regents Todd Buchanan, Chair; Joe Thiel; Paul Tuss*

### **ACTION**

- a. Collaborative Material Science PhD Program *ITEM 159-102-R0513 | Level II Request Form | Curriculum Proposal Form & Appendices| Attachment #1 -Business Plan – Provost Potvin, Provost Brown, Provost Abbott*

Deputy Commissioner Neil Moisey stated by specifically authorizing and limiting Montana Tech to granting Ph.D.'s in Materials Science only (as opposed to general PhD granting authority), the Board would be acknowledging Montana Tech's capacity in a specifically defined area of research, faculty specialization, infrastructure capacity, and extramural funding opportunities in a collaborative and efficient use of MUS resources.

Dr. Moisey noted that this type of limited Ph.D. granting authority is quite different from a broader Montana Tech Ph.D. granting authority, which would have far greater implications to not only the Montana Tech campus but also to the entire MUS. These implications are not just limited to potentially increased salary costs but also workload issues relative to the undergraduate mission as faculty would be expected to spend much more time on publishing, grant generation, and mentoring Ph.D. students.

Dr. Moisey clarified that this would NOT alter MT Tech's mission or mission statement.

Dr. Bev Hartford, UM, UM Provost Perry Brown, MSU Provost Martha Potvin, and MT Tech Provost Doug Abbott commented on the collaborative efforts to meet the needs in material science including: AAAS review; multiple meetings, expected outcomes and; awareness that changes need to occur on campuses when offering collaborative



degrees. They stressed the importance of the final outcome that they have a collaborative program that will serve students in a nationally recognized program.

President Engstrom commended the campuses for collaboration in sharing resources, technology, online capabilities, and the involvement of campus research committees. President Cruzado also commended the collaborative effort that will result in a nationally competitive program.

Regent Buchanan recommended approving this program on the condition that MT Tech will raise an additional \$150,000 before implementing this program. When MT Tech obtains the additional funding, the program is then approved. The board supported the requirement of MT Tech to raise additional funding.

Board members commended the high level of collaboration amongst the campuses, supported the community involvement, and recommended developing a process for campuses to follow in the future for collaborative efforts.

Commissioner Christian noted the campuses cannot be everything to everyone, and therefore, collaboration will be even more crucial in the future.

**Public Comment:**

The following spoke in support of the collaborative Ph.D. Program in Material Science:

- Jeff Snyder, former MT Tech graduate and Newmont employee
- Michael Barth, MT Tech Foundation, also read a letter of support from F.L. Schmidt Company.
- Lindsey Murdock, MT Associated Students, students voted in support of this collaborative program.
- Larry Farrar, Butte businessman, also expressed commitment to supporting one Ph.D. student.
- Courtney Young, Dept Head of Metallurgical Sciences
- Dr John Neumeier, MSU Faculty Senate Chair

Regent Buchanan made a motion for an amendment that, upon approval of the item, MT Tech will need to raise \$150,000 before launching the Ph.D. program. Motion passed 6-0.

Regent Buchanan clarified that the item limits MT Tech's authority to grant only one Ph.D. program - a collaborative Ph.D. in Material Science program only. The board agreed that the regents want to honor the restructuring of the system that was done in 1994.

Jeff Renz, MUSFAR Chair, described the process of approval on the UM campus and noted the strong faculty support throughout the process.

Regent Buchanan moved approval of ITEM 159-102-R0513. Motion passed 6-0.

- b. MT-Tech Limited Ph.D. Granting Authority-Material Science;  
Montana Tech *ITEM 159-103-R0513 | Attachment #1 – The Restructuring of*



*the Montana University System | Attachment #2 MT Tech Mission/Vision Plan, 2010.– V. Hammill, N. Moisey*

**Public Comment:**

- Lindsey Murdock, MT Associated Students, and Kyle Hogan, ASMT, spoke in support of MT Tech offering the collaborative Ph.D. in Material Sciences.

Chair McLean cautioned campuses to not start coming forward with Ph.D. program requests. She stressed this item specifies that MT Tech will offer only one collaborative Ph.D. program.

Regent Tuss asked if this proposal and process could become a model for future collaborative Ph.D. program proposals. Deputy Commissioner Moisey noted that the process outlines the need for an external review of capacity (infrastructure and faculty) and an evaluation of program demand, a collaborative approach in designing the curriculum and needed resources, and an evaluation of the impacts and needed changes on the campuses that result from offering a Ph.D.

Regent Tuss moved approval of Item 159-103-R0513. Motion passed 6-0.

c. Veterans Credit for Prior Military Courses and Training Policy Change; OCHE *ITEM 159-106-R0513*

Ron Muffick, Director of Student Financial Services, explained that this policy change would grant military veterans credit for prior experience they have received while serving in the military in a consistent manner, including college and university-level learning gained in military courses, trainings and experiential settings. He noted HB 317 was approved by the legislature and requests that the board develop criteria for awarding credit in this manner. The intent is to establish consistent practices throughout the MUS and community colleges for evaluating and granting undergraduate credit to veterans.

Deputy Commissioner Moisey indicated this could open the door in the future for other types of prior experience. He noted that campus faculty have some concerns related to assessing the experiences and whether or not the students are adequately prepared for particular courses.

Regent McLean urged Director Muffick to also consider how funding mechanisms would work in these situations.

**Public Comment:**

- Dr. Sandy Osborn, MSU faculty, voiced concerns related to the credit for prior learning issue regarding: how to evaluate learning objectives; determining if the students have the necessary preparation for courses and; addressing funding needs.



## MONTANA UNIVERSITY SYSTEM

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- Jeff Renz, UM faculty, noted faculty are in support of the concept, but do have some concerns regarding how to implement this and the process to be used for transferring credits.
- Dean Susan Wolff, Great Falls College MSU, noted the Northwest Commissioner on Accreditation has specific guidelines regarding the limit of credits that can be granted for prior learning.

Regent Buchanan moved approval of item 159-106-R0513. Motion passed 6-0.

### CONSENT

- a. Level I Memorandum
- b. Level II Action Items (from March submission)
- c. Implement an Optional Two-Year Pilot for E-Books and Digital Materials; UM-Missoula *ITEM 159-1004-R0513*

Chancellor Jim Limbaugh, MSU-Northern, noted that changing one class resulted in changing several other courses, which is evident in the Level II Memorandum. In order to maintain accreditation, MSU-Northern had to make the requested changes due to accreditation standards changing the required lab time and contact time.

Regent Buchanan moved approval of consent agenda items a-c. Motion passed 6-0.

### INFORMATION

- a. Affordability Task Force Update - Student Loan Default Rate Trends– *R. Muffick*

Regent Buchanan noted that Montana is ahead of national trends by having lower default rates than other states in the country.

Director Muffick noted the national default rate and the success of the MUS default rate. He noted that if the GSL serviced loans are removed, then the default rate increases dramatically. Mr. Muffick explained the efforts to align policies and to reward students for progressing toward a degree or credential. He recognized this is a mindset change in financial aid and stressed the importance of incentivizing financial aid.

Regent Buchanan urged board support for elevating the financial literacy work done.

Public comment:

Dr. Jeff Renz introduced Dr. Bob Mokwa, MSU, as the new MUSFAR Chair. Dr. Renz encouraged continued support of faculty compensation.

**ADMINISTRATIVE, BUDGET AND AUDIT OVERSIGHT**  
*Committee Members: Chair McLean, Regents Krauss and Tuss*



**ACTION**

a. FY 15 Performance Funding Model; OCHE *ITEM 159-110-R0513*

Associate Commissioner Tyler Trevor noted that the information included in the presentation is the allocation model the board is being asked to approve for distributing appropriations to the MUS educational units. The taskforce addressed the basic attributes for short-term and long-term processes needed for performance-based funding. Associate Commissioner Trevor noted the MUS Performance Funding Taskforce worked to develop a performance funding framework for allocating performance funding in FY 15; next year will focus on a long-term model for FY 16-17.

Associate Commissioner Trevor noted the taskforce focused on best practices and principles; short-term vs. long-term goals; progress; outcome metrics; and allocation methodology.

He explained the best practice of highest importance and concern is the issue of quality. He reported that this is a national trend, with 33 states already implementing some level of performance funding; recognized the importance of designing a model that promotes mission differentiation; campuses will be measured against their own individual progress, with emphasis placed on continuous improvement.

Associate Commissioner Trevor noted the importance of limiting the number of outcomes to be rewarded and of developing a small set of clear metrics that focus on key state priorities.

Discussion followed on:

- The need to have a culture (faculty, staff, campus leaders) that support performance-based funding and are committed to maintaining academic quality;
- Broad metrics that can be built upon in the future;
- Support for the metrics including degree completions and retentions;
- In the short-term use the system-wide average / in the long-term weighting the metrics according to campus size;
- Develop metrics that align with campus missions;
- Long-term focused strategies and efforts that align with metrics;
- How can campuses that are not meeting the metrics make progress to improve their outcomes with less funding;
- How to address student success;
- This needs to work as a reward system and not a punishment;
- Strong board support of this effort;
- Include student support services staff in discussions;
- Student participation;
- Recognizing that this is a new form of funding campuses;
- Some level of skepticism still exists;
- Use Complete College America as a guideline

b. Technology Modular Unit; UM-Missoula *ITEM 159-1005-R0513*





Associate Vice President for Administration and Finance at UM, Rosi Keller, noted this seeks approval to construct infrastructure to provide a secure environment for data storage for UM. The current location is high risk and not adequate for their needs.

- c. Renovate Restrooms at Prospector Residence Hall; MT Tech  
*ITEM 159-1501-R0513*

Chancellor Donald Blacketter explained this involves intensive plumbing revamping; the building is structurally sound, but needs extensive renovations.

Deputy Commissioner Robinson clarified that this is an auxiliary facility and auxiliary revenues will be used to fund the renovations.

Maggie Peterson, MT Tech Vice Chancellor for Finance and Administration, explained that part of the cost included in the architectural charges also include major structural problems that will be addressed.

- d. HPER Pool Replacement; MT Tech *ITEM 159-1503-R0513*

Chancellor Blacketter noted the pool is currently closed due to structural problems and the item requests authority to implement the needed repairs and improvements.

Deputy Commissioner Robinson explained that there are two components – authority to renovate the pool; and also the fee increase, which would go to future programming operational costs to maintain the pool.

- e. FY 14 and FY 15 Tuition and Fees; OCHE *ITEM 159-101-R0513 | Proposed Tuition Summary | Proposed Mandatory Fee Summary | Proposed New Mandatory Fees | Campus Tuition & Fee Schedules*

Regent McLean acknowledged that the board just received an email from Dawson Community College confirming that Dawson Community College will not increase tuition rates.

Deputy Commissioner Robinson explained the process for setting tuition rates, including the CAP (College Affordability Plan) and fees. OCHE provides direction to the campus CEO's by setting expectations to keep fee increases at a minimum. Deputy Commissioner Robinson reminded the board that there are mandatory and non-mandatory fees, and to keep in mind there is no other funding source for the services covered by fees. He noted part of the fee increases are the result of cost increases for particular courses and that any fee increase over 2% would need to have extensive justification as to why that increase is necessary. Deputy Commissioner Robinson said the commissioner's office thoroughly reviewed the descriptions and justifications for fees over 2% to make sure they are reasonable and are supportive of the fee increases brought to the board for approval.

Deputy Commissioner Robinson noted that the board has previously allowed individual campuses to increase non-resident tuition rates in comparison with other institutions at



a rate of approximately 3% annually. This rate will not harm campus competitiveness for non-resident tuition.

Board discussion followed on the need for clear differentiation of what constitutes tuition and what constitutes mandatory fees and whether some mandatory fees should be included in tuition costs in the future.

Regents Buchanan and Krauss noted they would not support any increases in fees.

Public Comment:

- Ashley Edmonson, FVCC student, spoke in support of the FVCC health center and supported the proposed \$45 fee for student health services.

f. Financing Option – Business Building; MSU-Bozeman *ITEM 159-2008-R0513*

MSU Vice President for Administration and Finance, Terry Leist, explained the purpose of the request is for authorization to arrange financing for construction and related costs of Jabs Hall, in cooperation with the foundation. This would allow the foundation to invest those donated funds at a rate higher than what MSU could borrow for. He noted that financial advisors recommended this plan.

Regent Tuss spoke in support of the item.

Regents Buchanan and Krauss noted concerns of the process and possible risk. Vice President Leist explained that the gift donated by Mr. Jabs was made to the alumni foundation and, therefore, the debt service on the building would be paid by the Foundation as well. Mr. Leist confirmed that MSU would monitor the funds in the investment pool to assure they have adequate funds to cover this debt load if needed.

Regent Buchanan noted that he felt there was too much risk associated with this and requested additional information prior to the board taking action the following day.

Deputy Commissioner Robinson clarified that approving this item would not finalize the process, but rather, it would authorize the campus and foundation to work with the commissioner's office and for the process to move forward; this project will require some form of bridge financing, regardless of the board final decision on the investment proposal.

## INFORMATION

a. Audit Reports:

- Montana PBS Public Television, Financial Statements, June 30, 2012 – Unqualified
- KGLT-FM Public Telecommunications, Financial Statements, June 30, 2013 – Unqualified
- KUFM-FM Radio Public Telecommunications, Financial Statements, June 30, 2012 – Unqualified



Deputy Commissioner Robinson noted this is a list of audits received at OCHE since the last BOR meeting.

- b. Annual Authority Reports
  - o MSU Campuses | Attachment #1
  - o UM Campuses | Attachment #1

Deputy Commissioner Robinson stated that the Annual Authority Reports contain information related to projects on the campuses that have been previously approved by the BOR.

- c. MSU Consideration of Public Private Partnerships; MSU-Bozeman

MSU Vice President Terry Leist explained that due to enrollment increases, MSU is exploring options in how to remediate those issues pertaining to residence facilities. He noted that MSU is working with a national consultant to analyze local markets and associated costs.

- d. MSU-Northern Consideration of Public Private Partnerships; MSU-Northern

Chancellor Limbaugh noted that MSU-Northern's residence facility no longer meets the needs of the students and, in fact, a portion of the building has been closed due to structural deficiencies. He told the board that MSU-Northern is exploring the possibility of entering into a Public Private Partnership with a private development group to construct a new residence facility. If the campus concludes this is in the best interest of the campus to proceed, they will come back to the board at a future meeting for approval for construction.

Regents Tuss and Krauss spoke in support of continuing to work with the business community with this.

- e. Summer 2013 Small Classroom Renovations; *MSU-Bozeman*

Deputy Commissioner Robinson clarified that this would not impact the current restrictive funds.

- f. Creative Arts Complex – Space Improvements; *MSU-Bozeman*

### CONSENT

- a. Expend Student Computer Fees; MSU-Bozeman *ITEM 159-2006-R0513*
- b. Expend Student Equipment Fees; MSU-Bozeman *ITEM 159-2007-R0513*
- c. Expend Student Computer Fees; MT Tech *ITEM 159-1504-R0513*
- d. Expend Student Computer Fees; UM-Western *ITEM 159-1601-0513*
- e. Expend Student Computer Technology Fees; Helena College UM *ITEM 159-1901-R0513*



- f. Student Computer Fee Classroom Technology Equipment Initiative; UM-Missoula *ITEM 159-1001-R0513*
- g. Student Computer Fee Employment Allocation; UM-Missoula *ITEM 159-1002-R0513*
- h. Student Computer Fee Equipment Allocation; UM-Missoula *ITEM 159-1003-R0513*
- i. Parking Lot Repair/Replacement; MT Tech *ITEM 159-1502-R0513*
- j. ITC Lease; MSU-Bozeman *ITEM 159-2009-R0513*
- k. Wireless Internet Expansion in Housing; MSU-Bozeman *ITEM 159-2010-R0513*
- l. Closed Circuit Cameras; MSU-Bozeman *ITEM 159-2011-R0513*
- m. Replace Roof on the Health, Physical Education and Recreation (HPER) Building; MT Tech *ITEM 159-1505-R0513*
- n. American Indian Tuition Waiver Policy Changes; OCHE *ITEM 159-105-R0513*
- o. Mathews Hall Structural Improvements; UM-Western *ITEM 159-1602-R0513*
- p. Repeal BOR Policy 217.1, Local Executive Boards; OCHE *ITEM 159-109-R0513*

### Public Comment

- Marco Ferro, MEA-MFT reminded the board that students had supported increase in tuition increase two years ago in order to maintain quality education. Mr. Ferro spoke in support of the proposed tuition freeze.

The meeting recessed at 5:00 PM.

### Friday, May 24, 2013

Asa Hohman, MAS President, awarded the 2012-13 'Advocate of the Year Award' to Chancellor Jim Limbaugh, MSU-Northern for his work with and advocacy for students.

The board members, members of the Commissioner's office and campus CEO's recognized Regent Thiel's outstanding service.

### Two-Year Education and Community College Committee (and action)

*Committee Members: Joe Thiel, Chair; Todd Buchanan, Jeff Krauss*

### ACTION

- a. Adoption of Developmental Education Reform Taskforce Summary and Recommendations – *J. Cech, S. O'Hare*

Deputy Commissioner John Cech noted the taskforce created recommendations based on national best practices and conducted baseline analysis of MT Developmental programs.

UM Assistant VP, Sharon O'Hare, gave a presentation focused on analysis of existing developmental education reform efforts throughout MT and nationally. She noted the



need for remediation reduces the likelihood of graduation, plus increases the time to graduation.

Sharon noted recommendations of the taskforce: partner with OPI to create a college readiness communications platform by targeting first time freshman and nontraditional adult learners; create a common MUS placement system using multiple resources; create developmental councils to focus on math and writing readiness; quality advising for students; instructors for remedial courses should be integrated across the system; tracking students enrolled in developmental education courses; create policies to encourage completion of developmental courses and; dedicate a portion of performance-based funding to developmental education reform recommendations.

Superintendent Denise Juneau recommended having consistent requirements to avoid confusion for incoming students and parents.

Regent Thiel moved approval of the taskforce recommendations. Motion passed 6-0.

## INFORMATION

### a. College!NOW: The First Three Years Recap – *J. Cech*

Deputy Commissioner Cech gave a presentation on the first three years of the College!Now efforts, achievements, and challenges. Accomplishments included: extending the comprehensive two-year mission, with comprehensive two-year colleges now providing transferable lower-division instruction, remedial education and services targeted to serve adult students; the two-year campuses are operating as a system now; students have access to a comprehensive two-year college in every region of Montana; providing online remedial education for high school students not prepared for college level coursework; migrating student data to the MUS student data warehouse; representation on a task force to design a comprehensive performance measurement and funding plan for the MUS and; extensive multi-media communication

### b. Workforce Development Taskforce – *W. Cruzado/J. Cech*

Deputy Commissioner Cech said the taskforce members were asked to submit the one thing that each campus could realistically do to improve workforce development. These will be submitted to Dr. Cech for summarizing at a later date.

John Cech noted work being done on the TAACCCT Consortium Grant from the U.S. Department of Education; he submitted a joint grant application with Great Falls College-MSU and FVCC and working with tribal colleges. He noted that the grant focuses on energy and advanced manufacturing.

Jeri Pullam, Great Falls College-MSU, gave a presentation on advanced manufacturing stacked credentials, which are of high interest to the U.S. Department of Labor and Department of Education; they want credentials that add to or build into another credential. The partners in the grant need to find local industry that can be partnered with.



c. Two-Year Education Research Day – *J. Garic*

Dean John Garic, Highlands College of MT Tech, explained a recent event focused on two-year education student research day that occurred at Highlands College of MT Tech. He noted that the intent is to convey a higher profile to two-year education and to celebrate student research. He stated interest in holding this annually, alternating the two-year campus it is held on each year. Dr. Garic said this is a national trend and was developed by the National Science Foundation.

Regent McLean expressed interest in including dual enrollment high school students in the event. Dr. Garic agreed to work with planners in sending invitations and information to all high schools offering dual enrollment opportunities.

Regent Robinson encouraged inclusion of the various disciplines to give participating students a sense of what opportunities are available to them.

d. GEAR UP and Statewide ACT Examination Update – *J. Lombardi*

Director Jan Lombardi gave a presentation with an overview of GEAR UP activities and the implementation of the ACT College Test and career readiness efforts.

e. Joint MCC and DCC Board Meeting Update – *J. Baker; L. Watson*

President Jane Baker and Interim President Lisa Watson updated the board on a recent joint meeting held with trustees of MCC and DCC boards in which they discussed topics of interest to both presidents, including presidential searches occurring at both campuses at this time.

f. Phi Theta Kappa All State Team Recognition – *J. Cech*

Deputy Commissioner Cech announced recognition of students Tanner Morrison, Abbie Coakley, Dustin Spivey, and John Godwin for their outstanding work and leadership at two-year campuses.

Public Comment

- Dustin Spivey spoke in recognition of faculty, staff and advocates in the Montana University System.

Denise Juneau, Superintendent of Public Instruction

Superintendent Denise Juneau highlighted Graduation Matters efforts, which addresses transition issues for students, including dual enrollment and transition efforts from K-2 into higher education. Other efforts noted included: the award of a grant to focus on community efforts to decrease drop-out rates; ongoing work with higher education; work with the Student Assistance Foundation; increasing college awareness; FAFSA outreach and; partnerships in making student college ready and; dual enrollment efforts.



**STAFF AND COMPENSATION COMMITTEE MEETING (and action)**

*Committee Member: Regents Angela McLean*

**DISCUSSION**

Compensation Planning

- Compensation Planning
- Faculty Salary Inversion and Compression
- Collective Bargaining Update

Associate Commissioner Kevin McRae noted upcoming labor negotiations scheduled and that the BOR has an obligation to collectively bargain with faculty and staff who are members of collective bargaining units. Associate Commissioner McRae requested guidance for a pay plan the MUS can support and that included a level of cost of living adjustments for those employees on the lower end of the compensation levels. He noted that HB 13 provided a large share of the needed funding, but also noted that HB 13 does not cover all the expenses.

Commissioner Christian noted that the MUS needed to look at non-resident tuition options to backfill the non-resident portion of the MUS Pay Plan.

Regent Buchanan suggested further discussions focus on the use of funds toward pension costs.

Associate Commissioner McRae noted the intent to distribute funds for normal wage increases to faculty and staff in comparison to similar institutions.

Board members discussed creating pools of funds to address some inversion and compression issues, to enable the campuses to reward performance, and to provide an extra amount to those on the lower compensation level. They urged members to remember that while research faculty are costly to retain, they also bring in large amounts of funding in grants.

Associate Commissioner McRae noted that most campuses have campus-specific merit opportunities for base-pay adjustments.

Chair McLean summarized the need to be part of a long-term strategy and long-term plan; provide an avenue to address recruitment and retention; address inversion and compression where the largest problems are and; have a pay plan that is affordable and that which will allow the board to keep tuition low.

Regent Krauss reminded the board that when backfilling, it sometimes involves losing people that are critical to student services.

**CONSENT**



Staff Items

- a. MT Tech *ITEM 159-1500-R0513*
- b. UM-Western *ITEM 159-1600-R0513*
- c. MSU-Bozeman *ITEM 159-2000-R0513*
- d. MSU-Northern *ITEM 159-2800-R0513*
- e. Professor Emeritus of Geophysical Engineering: Link; MT Tech *ITEM 159-1506-R0513*
- f. Professor Emerita of Educational Leadership: Erickson; MSU-Bozeman *ITEM 159-2001-R0513*
- g. Professor Emeritus of English: Keeler; MSU-Bozeman *ITEM 159-2002-R0513*
- h. Professor Emeritus of Beef Production: Paterson; MSU-Bozeman *ITEM 159-2003-R0513*
- i. Professor Emeritus of Native American Studies: Stein; MSU-Bozeman *ITEM 159-2004-R0513*

Labor Agreement

UM Western Labor Agreement; OCHE *ITEM 159-108-R0513*

Regent Thiel moved approval of the consent agenda. Motion passed 6-0.

**Public Comment:**

- Dr John Neumeier, MSU, urged the board to support funding for the retirement plan, ORP.
- Marco Ferro, MEA-MFT, urged the board to continue to support funding for the retirement plans in the system and to continue working together to address these issues.
- Dr. David Shively, UM, CUF Chair (Coalition of Union Faculty), urged the board to continue to address inversion and compression issues on the campuses.
- Dr. Sandy Osborn, MSU, urged the board to support faculty and staff compensation levels.

**COMMITTEE REPORTS, DISCUSSION & ACTION**

- a. Administrative, Budget, and Audit Oversight Committee Report

**ACTION**

- a. FY 15 Performance Funding Model; OCHE *ITEM 159-110-R0513*

Regent Tuss moved approval of ITEM 159-110-R0513. Motion passed 6-0.

- b. Technology Modular Unit; UM-Missoula *ITEM 159-1005-R0513*

Regent Tuss moved approval of ITEM 159-1005. Motion passed 6-0.





- c. Renovate Restrooms at Prospector Residence Hall; MT Tech  
*ITEM 159-1501-R0513*

Regent Thiel moved approval of ITEM 159-1501-R0513. Motion passed 6-0.

- d. HPER Pool Replacement; MT Tech *ITEM 159-1503-R0513*

**Public Comment:** Kyle Hogan, MT Tech student group, told the board that the students voted in favor of the HPER pool replacement and maintenance.

Regent Thiel moved approval of ITEM 159-1503-R0513. Motion passed 6-0.

- e. FY 14 and FY 15 Tuition and Fees; OCHE *ITEM 159-101-R0513 | Proposed Tuition Summary | Proposed Mandatory Fee Summary | Proposed New Mandatory Fees | Campus Tuition & Fee Schedules*

Chair McLean noted the value of the CAP agreement in making it possible for the board to freeze tuition. She said the CAP provided an increase in present-law adjustments and pay plan funding. She requested future discussions focused on the possibility of rolling some mandatory fees into tuition costs.

Regent Tuss moved to approve the proposed tuition for resident students for the MUS campuses as presented with CAP, to approve the tuition increases for resident students as proposed by Miles Community College, and to approve the non-resident tuition increases. Motion passed 6-0.

Regent Robinson moved to approve the mandatory fees as proposed, to approve the non-mandatory fees as proposed, and to approve the room and board fees as proposed. Motion passed 4-2, with Regents Buchanan and Krauss voting no.

President Engstrom urged the board to not think about individual fees, but to think about the total cost of education.

Commissioner Christian pledged to take the board conversation regarding fees and tuition back to the system office to discuss what should be included in fees and what should be included in tuition. He noted that the board needs to have these discussions earlier in the process if they want to make any changes to fees and if there are mandatory fees that should be included in tuition costs. Commissioner Christian also discussed the need to review national trends to allow MUS to remain comparative to other institutions.

- f. Financing Option – Business Building; MSU-Bozeman *ITEM 159-2008-R0513*

Michael Stevenson, President of MSU Alumni Foundation, addressed questions from the board related to funding mechanisms and processes. He explained the Alumni Foundation consists of alumni, foundation, and campus members and described the decision-making process at the Alumni Foundation, in response to questions from Regent Buchanan the previous day. Mr. Stevenson explained that the Alumni Foundation received the generous donation from Jake Jabs for use at MSU-Bozeman.



The gift was an “unrestricted gift,” which means the use is to be determined by the campus. MSU chose to use the gift toward the construction of the business building. Mr. Stevenson said this is an opportunity to use the money from the gift, to invest those funds, and use it as an endowment. Alumni board members chose to invest this money in this manner; the Alumni Foundation has a plan for the investments, benchmarks, timelines, and have financial advisors that have highly recommended this plan. Mr. Stevenson noted that due diligence has been done to minimize risk.

Regent Buchanan noted the board is not approving bonding with this item. He recognized the board has been demanding due diligence by campuses and requested forecasting information on expenses associated with the funds. Mr. Stevenson said the forecasting fees have already been calculated in the numbers presented to the board.

Regent Krauss asked if the alumni foundation has done this before. Mr. Stevenson said this is the first time the MSU alumni Foundation has done this type of leveraging, but this is something done nationally by other campuses across the country. He clarified that the Alumni Foundation will continue to own the funds donated by Jake Jabs, but this would allow them to leverage those funds for the purpose of the construction of the business building.

Regent Buchanan moved approval of ITEM 159-2008-R0513. Motion passed 6-0.

### CONSENT

- a. Expend Student Computer Fees; MSU-Bozeman *ITEM 159-2006-R0513*
- b. Expend Student Equipment Fees; MSU-Bozeman *ITEM 159-2007-R0513*
- c. Expend Student Computer Fees; MT Tech *ITEM 159-1504-R0513*
- d. Expend Student Computer Fees; UM-Western *ITEM 159-1601-0513*
- e. Expend Student Computer Technology Fees; Helena College UM *ITEM 159-1901-R0513*
- f. Student Computer Fee Classroom Technology Equipment Initiative; UM-Missoula *ITEM 159-1001-R0513*
- g. Student Computer Fee Employment Allocation; UM-Missoula *ITEM 159-1002-R0513*
- h. Student Computer Fee Equipment Allocation; UM-Missoula *ITEM 159-1003-R0513*
- i. Parking Lot Repair/Replacement; MT Tech *ITEM 159-1502-R0513 | Attachment #1*
- j. ITC Lease; MSU-Bozeman *ITEM 159-2009-R0513*
- k. Wireless Internet Expansion in Housing; MSU-Bozeman *ITEM 159-2010-R0513*
- l. Closed Circuit Cameras; MSU-Bozeman *ITEM 159-2011-R0513*
- m. Replace Roof on the Health, Physical Education and Recreation (HPER) Building; MT Tech *ITEM 159-1505-R0513*
- n. American Indian Tuition Waiver Policy Changes; OCHE *ITEM 159-105-R0513*
- o. Mathews Hall Structural Improvements; UM-Western *ITEM 159-1602-R0513*



- p. Repeal BOR Policy 217.1, Local Executive Boards; OCHE *ITEM*  
159-109-R0513

Regent Tuss moved to approve the consent agenda items a-p. Motion passed 6-0.

- b. Academic, Research and Student Affairs Committee Report (*action taken during committee meeting*)
- c. Staff and Compensation Committee Report (*action taken during committee meeting*)
- d. Two-Year and Community College Committee Report (*action taken during committee meeting*)

#### Appeals

- Residency Appeal #1
- Residency Appeal #2

Chair McLean explained that each appeal will be decided separately. The decision before the board is to determine whether to hear the appeals at a later meeting. Policy does not require the board to hear the appeals unless they do not agree with the commissioner's decision. She clarified that lack of action by board confirms the commissioner's decision and the Commissioner's decision would therefore be upheld.

Residency appeal #1: No motion was made; therefore the request to hear the appeal has been denied and the commissioner's decision is upheld.

Residency Appeal #2: No motion was made; therefore the request to hear the appeal is has been denied and the commissioner's decision is upheld.

#### **Election of Officers**

Regents were instructed that they could each vote once for board chair and once for board vice chair, as they would in an election process.

Regent Tuss nominated Regent McLean as chair of the board. Regent Krauss nominated Todd Buchanan as chair of the board. Four regents voted in support of Regent McLean: Regents McLean, Robinson, Thiel and Tuss. Two regents voted in support of Regent Buchanan: Regents Buchanan and Krauss.

Regent McLean will be board chair.

Regent Buchanan nominated Regent Krauss as vice chair. Two regents voted in support of Regent Krauss: Regents Krauss and Buchanan.

Regent Robinson nominated Regent Tuss as vice chair. Four regents voted in support of Regent Tuss: Regents Tuss, McLean, Robinson, and Thiel.

Regent Tuss will be board vice chair.

The meeting adjourned at 1:15 PM.



**MONTANA UNIVERSITY SYSTEM**

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**Approved by the Board of Regents on**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Clayton T. Christian  
Commissioner of Higher Education  
and Secretary to the Board of Regents

\_\_\_\_\_  
Angela McLean  
Chair, Board of Regents