

MINUTES OF THE BOARD OF REGENTS
OF HIGHER EDUCATION
MONTANA UNIVERSITY SYSTEM

DATE: December 10, 1982
TIME: 8:45 a.m.
LOCATION: Conference Room
Montana University System
33 South Last Chance Gulch
Helena, Montana
REGENTS PRESENT: Morrison, Pace, Hurwitz, Keck, Knight, Redlin
Commissioner of Higher Education Irving E. Dayton
REGENTS ABSENT: Evans
PRESIDENTS ATTENDING: Bucklew, Tietz, DeMoney, Erickson, Carpenter, Thomas
PRESIDENTS ABSENT: None
COMMITTEE MEETINGS HELD: Policy Committee, Budget Committee; Capital Construction
Committee; Community College and Vocational Educational
Committee; Curriculum Committee

The meeting of the Board of Regents of Higher Education was called to order by Chairman Jeff Morrison at 8:45 a.m. on Friday, December 10, 1982. Committee meetings were held on Thursday, December 9, 1982, beginning at 2:30 p.m. following an Executive Session on collective bargaining.

Chairman Morrison asked for additions or corrections to the minutes of the October 29, 1982 meeting. Commissioner Dayton noted that on page 4, in the listing of programs granted re-accreditation, number 4, "B.A. in Chemical Engineering" should read "B.S. in Chemical Engineering." With that correction, the minutes were ordered approved.

Chairman Morrison next asked for additions or corrections to the minutes of the December 7, 1982 conference call meeting. None were stated and the minutes were ordered approved.

Commissioner Dayton introduced Mr. William Johnstone, Bond Counsel, who was present to request approval of the "Resolution Authorizing the Issuance of Montana State University Revenue Bonds Series

December 10, 1982

1982 for the Financing of Additional Improvements at Bozeman, Montana under the Indenture Dated July 1, 1954" (on file). Mr. Johnstone explained that approval of this Resolution would complete the authorizations needed from the Regents to proceed with the issuance of the bonds approved for sale in the conference call meeting. On motion of Regent Knight, the Resolution was approved.

Regent Darla Keck, Chairman of the By-Laws and Policy Committee, reported the committee received Item 18-005-R1077, Fee Waivers, Montana University System (REVISED) for consideration at a future meeting.

Regent Keck reported the Policy Committee recommended the following items for approval:

Item 38-003-R1282, Resolution Concerning Bankruptcy and Student Loans, Montana University System

Item 38-004-R1282, Resolution Concerning Bankruptcy and Student Transcripts, Montana University System

She so moved. The motion carried. Commissioner Dayton noted that the purpose of the two resolutions concerning student bankruptcy is to call attention to defects in the federal bankruptcy statutes and interpretations of these statutes in some jurisdictions which have handicapped the collection of student loans and debts. These resolutions will be forwarded to Montana's congressional delegation with the hope that appropriate amendments can be inserted in the Bankruptcy Reform Act now pending in Congress. The resolutions will also be submitted to the Montana Legislature for endorsement.

Regent Burt Hurwitz reported that the Budget Committee recommended that in-state tuition in the Montana University System be increased from \$12 to \$13.50 per quarter credit hour effective Fall quarter 1983. Campuses or schools using the semester system shall increase tuition at the equivalent rate. Regent Hurwitz moved the recommendation be approved.

Regent Darla Keck expressed her concern that the increase had been raised to \$1.50 per quarter credit hour. She stated her preference would be to increase in-state tuition by \$1 per quarter credit hour, and that the

December 10, 1982

Board review the matter of tuition increases following adjournment of the legislature. Chairman Morrison noted that a lengthy discussion on tuition increases had been held in the Budget Committee at its meeting on December 9. The recommendation before the full Board is a "one-time" tuition increase and carries no recommendation for an additional increase in the second year of the biennium. He noted, however, that the recommended \$1.50 per quarter credit hour increase would raise the same amount of money that would be raised if tuition were increased \$1 each year of the biennium. Regent Knight stated it is the Budget Committee's belief that the percentage increase is a fair one which would raise a significant amount of revenue. Any Regents' action on a future increase will be a response to fair and equitable treatment by the legislature.

The question was called on Regent Hurwitz' motion to approve the recommended in-state tuition increase. Regents Pace and Keck voted no; Regents Hurwitz, Redlin and Knight voted yes. The motion carried.

Regent Hurwitz stated that since yesterday's meeting of the Budget Committee the committee had caucused and received in-put from students on the recommendation to increase out-of-state tuition by \$4.00 per quarter credit hour. It is now the recommendation of the Budget Committee that out-of-state tuition be increased by \$3.00 per quarter credit hour beginning in the Fall of 1983. Campuses on a semester system shall increase tuition at the equivalent rate. Regent Hurwitz moved the revised recommendation be approved.

Regents Pace and Keck disagreed with the recommendation. Regent Keck supported an increase in out-of-state tuition of not more than \$2.00 per quarter credit hour, noting that the System's out-of-state tuition is now more in line with peer institutions than in-state tuition and the recommended increase would add to the disparity.

Regent Pace voiced her opposition to increasing out-of-state tuition more than the increase in in-state tuition. At her request, various

December 10, 1982

presidents spoke to the proposed increase. While there was no clear consensus to support the recommendation, President DeMoney stated he was pleased to see the increase reduced to \$3.00 and felt that was reasonable. President Bucklew stated he hoped the increase could be more moderate. He added the proposed increase could prohibit many out-of-state students from pursuing their education in Montana.

Regents' policy which ties the cost of out-of-state tuition to costs of instruction was discussed.

Marquette McRae-Zook, President, Associated Students of the University of Montana, called the Board's attention to two resolutions presented to the Budget Committee during its discussion of tuition proposals (on file). Ms. Zook noted that the Student Advisory Council felt students were willing to support a slightly higher in-state tuition to indicate their willingness to assume a portion of the burden placed on taxpayers by out-of-state students. The intent of the students was to express how important they believe the mix of in- and out-of-state students is to a well-rounded education. Ms. Zook asked for a more gradual increase in out-of-state tuition in the belief that many out-of-state students will be unable to handle such a dramatic increase.

Carlos Pedraza, an out-of-state student currently enrolled at the University of Montana, spoke in opposition to the amount of the proposed increase.

Brad Diede, President, Associated Students, Montana State University, opposed the recommendation. He asked that in setting tuitions the Regents consider the other costs of education which students must pay in addition to tuition.

The question was called on the motion to accept the Budget Committee's revised recommendation to increase out-of-state tuition to \$3.00 per quarter credit hour. Regents Keck and Pace voted no; Regents Redlin, Hurwitz and Knight voted yes. The motion carried.

December 10, 1982

Regent Hurwitz reported that the Budget Committee recommended Item 38-001-R1282, Supplemental Appropriation 1982-83, Montana University System be amended to delete Western Montana College's enrollment supplemental and to indicate the potential problem with the vacancy savings contingency fund. The committee recommended the item be approved as amended. He so moved. The motion carried.

Regent Hurwitz reported the Budget Committee recommended Item 38-102-R1282, Resolution of Funding of the Law School, University of Montana, be approved, but that the item be brought back to the Board at its January meeting for consideration of budgetary implications. He so moved. The motion carried.

Regent Hurwitz reported the Budget Committee recommended that Item 38-201-R1282, Authorization to Request a Budget Amendment for Central Laboratory Animal Facility in the Amount of Eighty Thousand Dollars (\$80,000); Montana State University be approved. He so moved. The motion carried.

Regent Hurwitz reported that the Budget Committee recommended the 1985 Budget Guidelines as set out in the memorandum dated December 6, 1982 (on file) be approved, with the addition of the following statement to Section VI, Average Faculty Salary Guidelines: "Faculty salary recommendations will be made based on funding the formula guidelines at 100% including critical area adjustments in the base, plus the pay plan as finally adopted by the Legislature."

Regent Pace asked if any faculty present wished to comment. Charles Bryan, President, University Teachers Union, University of Montana asked that the Regents continue to support raising faculty salaries to the level of those of the peer institutions, rather than endorsing "buying in" to the state pay plan.

President Tietz stated that the Council of Presidents unanimously endorsed a resolution supporting a 7 1/2% increase in faculty salaries for the first year of the biennium. He asked that the record reflect that action.

December 10, 1982

He asked further if the wording before the Board is adopted, would that preclude presenting arguments to the Legislature in support of the 7 1/2% increase. Chairman Morrison responded that if the language is adopted, that will be the position of the Board. It would not preclude drawing the Legislature's attention to where faculty salaries in the Montana University System stand in comparison to peer institutions. Chairman Morrison also stated that the System has never been fully funded under the formula, and the Regents are requesting that be done this biennium.

After further discussion President Bucklew suggested that the message the Board and the presidents should be communicating is that the System has to improve the faculty salary situation. Some progress was made in the last biennium, but faculty salaries continue to fall below the average, rank by rank. President Bucklew suggested amendatory language be added to the Regents' statement on faculty salary recommendations to indicate this special concern.

Regent Hurwitz moved that the faculty salary recommendation language be amended to read as follows, and the 1985 Budget Guidelines be approved as amended: "Faculty salary recommendations will be made based on funding the formula guidelines at 100% including critical area adjustments in the base, plus the pay plan as finally adopted by the Legislature, with special concern that the pay plan increases provide the resources necessary to improve salaries toward the average of the peer institutions." The motion carried.

Regent Hurwitz reported the Budget Committee discussed Item 38-101-R1282, Authorization to Seek a Formula Adjustment for Support of the Professional Pharmacy Program, University of Montana. Discussion included review of the Board's previous discussion of the University's problem with funding the clinical portion of the pharmacy program, and Chairman Morrison's statement on September 13, 1982 that under stated conditions the proposal could be brought back for consideration but that it is not the Board's intent to

December 10, 1982

open this approach for other programs on campuses. The Item was referred by the Budget Committee to the full Board without recommendation. After brief discussion, Regent Hurwitz moved that Item 38-101-R1282 be approved. Chairman Morrison voted no; Regents Hurwitz, Keck, Redlin, Knight and Pace voted yes. The motion to approve carried.

Regent Hurwitz reported the Budget Committee requested that the Commissioner's office conduct a study of graduate program tuitions in the System. The study should include an analysis of how peer institutions in neighboring states set graduate tuitions. It was the consensus of the Board that this study should be made.

Regent Hurwitz reported the Capital Construction Committee recommended Item 38-002-R1282, Resolution on Construction of University System Buildings, Montana University System, be approved. The resolution is intended to clarify the position of the Board regarding construction and maintenance of buildings central to the mission of each unit of the Montana University System. The Board wishes to make known its position that state funding of those facilities should not require as a condition that private funds be raised. Regent Hurwitz moved the item be approved. The motion carried.

President James Erickson, Northern Montana College, asked that the Board make clear that private citizens' contribution to the various units to assist in the construction of buildings that do not receive state funding are indeed appreciated and not affected by this resolution. President Erickson cited as an example that Northern Montana College's Foundation has volunteered to raise the entire sum of money needed to construct the farm mechanics building on the Northern Montana College campus. Chairman Morrison concurred with those remarks. He stated the Board is indeed appreciative of persons who wish to contribute, but that those contributions should not be a requirement to receiving state funding. Chairman Morrison asked that the minutes reflect President Erickson's statement.

December 10, 1982

Regent Hurwitz reported the Capital Construction Committee recommended the following items be approved:

Item 38-203-R1282, Authorization to Increase the Funding Authority for the On-Campus Living Fire/Smoke Detection System in the amount of Twenty Thousand Dollars (\$20,000); Montana State University

Item 37-601-R1282, Authorization for Western Montana College to purchase College Motors for \$230,000; Western Montana College

He so moved. The motion carried.

Regent Hurwitz reported that President Tietz, Montana State University, informed the Budget Committee that Montana State University will bring an item to the Board at its January, 1983 meeting to install additional communications cable at the same time the new state telephone system cable is installed.

The Collective Bargaining Committee had no report.

Regent Elsie Redlin, Chairman of the Community College and Vocational Educational Committee, reported that the committee received a report and held discussion on the Community College Education Center policy and the proposed legislation which would enable the centers to be funded by the community that is requesting the extensions. No action was requested.

Regent Pace, Chairman of the Curriculum Committee, reported that the committee received the following items for consideration at a future meeting:

Item 38-202-R1282, Authority to Establish the 49th Parallel Institute, Montana State University

Item 38-701-R1282, Health Education Minor; Eastern Montana College

Item 38-702-R1282, Statistics Minor, School of Liberal Arts, Eastern Montana College

Regent Pace reported that Item 37-202-R0982, A Proposal for a Bachelor of Arts in Music, Montana State University, was withdrawn at the request of the institution.

The Board recessed at 9:40, and reconvened at 10:00 a.m. with the same members present.

December 10, 1982

A slide presentation on the Western Interstate Commission for Higher Education (WICHE) was made to Regents. Following the presentation the Commissioner distributed a detailed report on the WICHE and WAMI program (on file). The Commissioner reviewed the two programs, noting that both provide Montana students access to professional programs that are not available in the Montana University System. The Commissioner added that both programs are extremely beneficial to Montana and have received strong legislative support. In response to questions, Commissioner Dayton explained that under the WICHE program, the number of Montanans returning to Montana to practice tends to be fairly small. The intent of the WICHE program is to prepare professionals to remain in the region, but not necessarily return to their home state. The WAMI program is aimed more at interesting those trained in the medical profession to return to rural settings to practice. The WAMI program will probably result in a larger number of practitioners returning to the sending state, but Montana has not been a participant in the program long enough to provide conclusive data.

Chairman Morrison stated that without objection the order of the agenda under New Business would be revised so the hearing on the Eastern Montana College Elementary School could be held at the time stated.

The residency appeal of Justine Fell was presented to the Board for consideration. Commissioner Dayton asked that the record reflect that the appellant was notified of the date and time of the hearing by certified mail and the return receipt was received by this office. Counsel Laurence Weinberg briefly explained the procedure for appeal of residency status for the benefit of Regents who have not participated in the procedure. It was the consensus of the Board that the appeal be heard.

Chairman Morrison asked if Ms. Fell or a representative was present, and received no response. Counsel Weinberg reviewed documentation on the appeal as set out in the memorandum and supporting material dated November 29, 1982. He recommended the Board uphold the Commissioner's denial of in-state residency status. Regent Mary Pace moved that the Commissioner's decision to deny the appeal be upheld and in-state residency status be denied. The motion carried unanimously.

December 10, 1982

The memorandum to the Regents, Board of Public Education and Superintendent of Public Instruction from the Commissioner on articulation between secondary and postsecondary education was reviewed and discussed. The Commissioner stressed particularly that the activities suggested in the memorandum should be viewed as the first phase of a continuing effort and no claim is made that this is a comprehensive list of all possible activities. What the Task Force on Articulation particularly desires at this point is feedback from the Regents on the direction staff has taken. Dr. Carol Krause will review the material with the Board of Public Education at its December meeting, and there will continue to be interaction with Superintendent Argenbright's Task Force on Excellence. Regents were encouraged to make their responses as soon as possible. The subject will be on the agenda for discussion at the next meeting of the State Board of Education.

Chairman Morrison stated that the hearing on the closing of the Eastern Montana College elementary school scheduled for 11:00 a.m. would begin. He asked if anyone was present who wished to speak on behalf of the elementary school. Mr. Les Hilliard, President of the school's Parent Teacher Organization responded he would make a statement on behalf of the school. He stated there were many more people who had planned to attend, but that he had received no notice they would be allowed a hearing.

Responding to Mr. Hilliard's statement on notice, Commissioner Dayton quoted a recent editorial in the Billings Gazette which stated the Regents had not responded to the request for a hearing. Commissioner Dayton stated he had before him a copy of a letter dated November 17, 1982 addressed to Mr. Les Hilliard which contained his reasons for sustaining President Carpenter's decision. The letter stated that Mr. Hilliard and all other interested parties would have an opportunity to present their case

December 10, 1982

to the Board at its next regularly scheduled meeting on December 10, 1982, and that an agenda would be mailed to Mr. Hilliard when it was prepared. That agenda was mailed to Mr. Hilliard at his home address on December 2, 1982. Mr. Hilliard acknowledged receipt of the letter, but not the agenda. The Commissioner noted that no attempt had been made by Mr. Hilliard to contact the Commissioner's office or the Regents to determine the time set for the hearing. Commissioner Dayton stated that both the Regents and the Commissioner's office have made every effort to cooperate and make arrangements so that those interested in being heard by the Board would have an opportunity to do so. The statements in the press and in Mr. Larson's column in the Gazette created ill feelings, and were inaccurate.

At the Chairman's request, Commissioner Dayton explained that the original decision to close the elementary school was made by Acting President William A. Johnstone, and confirmed by President Carpenter. He explained the reasons that Eastern Montana College recommended closing the school, and how the vacated space will be used.

Mr. Les Hilliard gave a lengthy report on the reasons why the Parent Teacher Organization is asking that the school not be closed. He reported on a "space utilization" study conducted by the Parent Teacher Organization which indicated to them that the space now occupied by the school is not needed by Eastern Montana College. He also cited examples of uncooperativeness on the part of Eastern Montana College Administration.

Commissioner Dayton summarized, stating that the crux of the controversy is that the relationship between the elementary school and Eastern Montana College is that of landlord/tenant; that the elementary school is subsidized by higher education monies, and Eastern Montana College derives no educational benefits from continuing the arrangement. A full year's notice was given

December 10, 1982

to the Billings School District of the intent to terminate the lease. The school district has shown no interest in re-negotiating the contract.

At the conclusion of the discussion, Regent Darla Keck moved that the Board uphold the decision of the Commissioner and President Carpenter that the lease be terminated. The motion carried unanimously.

The proposed legislation on nepotism and on retirement was reviewed and discussed. On motion of Regent Mary Pace, both were endorsed by the Board and approved for submission to the legislature.

At the request of Commissioner Dayton, William Lannan gave a brief up-date on the status of establishing the secondary market for the Guaranteed Student Loan Program. Mr. Lannan introduced Mr. Peter Avalone, underwriter for Merrill Lynch. Mr. Avalone explained that a \$30-35 million bond sale is anticipated of three to five year fixed-rate bonds. It is contemplated the bonds will carry a single A rating and if the bond market continues to improve, the bonds should be sold at an interest rate of slightly below eight percent. The Board of Directors of the corporation will meet in mid-January 1983 to approve the plan, elect the trustee and consummate the servicer agreement. The sale of the bonds is expected to occur around the third week of January 1983, with the closing the first part of February 1983.

Commissioner Dayton reported that the National Architectural Accrediting Board has approved extending accreditation of the architectural program at Montana State University for a period of five years.

Commissioner Dayton explained that the Collective Bargaining Agreement at the University of Montana calls for appointments of three tenured faculty members to the Committee on Service, one each by the Faculty Senate, the President, and the Board of Regents. He moved that the Regents' appointee be Professor Keith Osterheld, Chemistry Department, to serve a twelve-month term commencing September 1, 1982. The motion carried unanimously.

December 10, 1982

Commissioner Dayton reported that the last meeting of the Council of Presidents was held over a month ago, and most matters dealt with at that meeting have come forward to the Regents in the form of reports or action items. The Commissioner gave a status report on the meetings being held around the state among the presidents, Commissioner and area legislators.

The Faculty Association had no report. Commissioner Dayton asked that the record reflect that the Board heard presentations from Professor Archie Alexander, Chairman, Faculty Council, Montana State University and Dr. Don Beuerman, Chairman, Faculty Association, Montana Tech. Following the presentations a lengthy discussion was held among the Board and the representatives of the Faculty Association.

The Student Advisory Council reported it has scheduled a meeting on January 2, 1983 with student lobbyists to prepare for the coming legislative session. Issues of system-wide concern will be identified so that a unified lobbying effort can be made by student lobbyists.

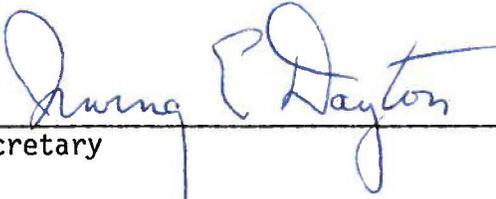
On motion of Regent Darla Keck, the following items were approved:

- Item 38-100-R1282, Staff, University of Montana
- Item 38-200-R1283, Staff, Montana State University
- Item 38-300-R1282, Staff, Agricultural Experiment Station
- Item 38-400-R1282, Staff, Cooperative Extension Service
with Addendum
- Item 38-600-R1282, Staff, Western Montana College
- Item 38-700-R1282, Staff, Eastern Montana College

The meeting adjourned at 12:00 noon. The next regularly scheduled meeting of the Board will be held on January 20-21, 1983, in Helena, Montana.

APPROVED:


Chairman, Board of Regents of Higher
Education, Montana University System


Secretary