

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

DATE: June 4, 1987

LOCATION: Conference Room
Montana University System
33 South Last Chance Gulch
Helena, Montana

REGENTS
PRESENT: Morrison, Hurwitz, Kaze, Lind, McCarthy
Birkenbuel, Redlin
Commissioner of Higher Education Carrol
Krause

REGENTS
ABSENT: None

PRESIDENTS
PRESENT: Koch, Carpenter, Easton, Merwin, Norman,
Tietz

PRESIDENTS
ABSENT: NONE

The Board of Regents met in executive session from 8:00 a.m. to 9:30 a.m.

Chairman Lind called the regular meeting of the Board of Regents to order at 9:50 a.m. Roll call was taken, and it was determined a quorum was present.

Chairman Lind called for additions or corrections to the minutes of the previous meetings. None were stated, and the Minutes of the April 27-28, 1987 meeting, and the May 15, 1987 Special Call meeting were ordered approved.

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Budget Committee

Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, distributed copies and reported on Item 55-104-R0687, Final Bond Resolution for \$4,165,000 Special Purpose Facilities Renovation and Improvement Revenue Bonds, Series A 1987; University of Montana, an addition to the agenda. The bonds were successfully marketed just prior to this meeting at a net interest rate of 7.88%. The net savings realized through the refunding was approximately \$250,000, down slightly from the original estimate due to the rapid deterioration of the bond market. On motion of Regent Morrison, the item was approved.

Mr. Noble reported the Montana State University refunding issue is in the bond market today, and if there is a successful sale, he will request approval of the final bond resolution on that sale later in the meeting. He also reported briefly on the progress of the private placement situation at Northern Montana College which would allow replacement of NMC's Department of Education bonds. Documents are expected on that issue today, and if they arrive, will also be presented later in the meeting. If the two resolutions are not available for presentation at this meeting, a conference call meeting will need to be scheduled as soon as the documentation is available to lock in the interest rates on the issues.

Mr. Noble reviewed Item 55-608-R0687, Authorization to transfer \$100,000 from the 1967 Physical Education Indenture reserve to the 1966 Housing and Dining Indenture; Western Montana College, citing a similar transfer approved by the Regents from the

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1967 Indenture to the 1966 Indenture approximately one year ago. The amount requested will be transferred as needed to meet the reserve deficiency. Details of the transaction are set out in the explanation of the item. On motion of Regent Hurwitz, the item was approved.

Item 55-3001-R0687, Lincoln County Depository; Flathead Valley Community College was reviewed by Mr. Noble. Regent authorization is needed to establish the depository. Having a depository in Libby will improve security of college funds and enhance the safety of college employees who have been transporting the funds from the Lincoln County community college service region to Kalispell. On motion of Regent Kaze, the item was approved.

Item 17-009-R0777, Continuing education salaries; Montana University System (REVISED) and Item 2-007-R0973, Continuing education fees; Montana University System (REVISED), were deferred for action at the July 1987 meeting at the request of the Commissioner.

Item 55-001-R0687, Program Transfers; Montana University System, was reviewed by Mr. Noble. Program transfers were necessary at both Eastern Montana College and Northern Montana College to meet the Governor's general fund reduction. The transfers are within the transfer authorization provided in HB 500. On motion of Regent Hurwitz, the item was approved.

By-Laws and Policy Committee

Submission Agenda:

The following items were received for consideration at a future meeting:

Item 55-102-R0687, Establishment of a Public Policy Research Institute; College of Arts and Sciences; University of Montana

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Item 55-002-R0687, Unauthorized Copying and Use of Computer Software; Montana University System

Item 12-001-R0476, Appointment; Legal Counsel; Montana University System (REVISED)

President Koch spoke briefly to the funding mechanism for the Public Policy Research Institute. Mr. Paul Dunham noted the Computer Software item is presented in response to the Legislative Auditor's urging that such a policy be put into effect. The item has been reviewed by the Council of Presidents. Chief Counsel Schramm commented on the two main points of the Legal Counsel item. The items will be discussed in-depth when they appear on the action agenda at the July 1987 meeting.

Action Agenda:

Item 55-107-R0487, Authorization to Establish a Tourism and Recreation Institute; University of Montana was presented by Commissioner Krause. Funding for the Institute was provided by the 50th Legislature in H.B. 84 through a percentage of the newly-enacted 4% bed tax. The intent of the sponsors was to strengthen the potential of tourism and recreation as part of the economy of the state. The revenue realized is anticipated to be approximately \$100,000 - \$150,000. The four basic goals are set out on the memorandum sent with the agenda (on file). Recommendation for approval is made with the understanding the Institute coordinate its activities with the development of an associate degree program in tourism and recreation at Western Montana College.

President Tietz questioned whether the Institute would entertain proposals from other units of the System in the area of tourism. Commissioner Krause

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responded that would be possible. The Board of Regents has broad latitude to supervise this project, and it could be inclusive of those types of activities.

Clarification was requested on exactly what was to be established. Other units have in process plans for centers relating to tourism and recreation. Assurance was given this item authorizes an institute, not a center. In response to Regents' questions, President Koch noted the Institute will be placed in the School of Forestry. The primary supervisor will be Dean Frisell.

On motion of Regent McCarthy, Item 55-107-R0487 was approved.

Curriculum Committee

Submission Agenda:

The following items were received for consideration at a future meeting:

Item 55-607-R0687, Associate Degree in Early Childhood Education; Western Montana College

Item 55-206-R0387, Higher Education Center; Western Montana College

Item 55-101-R0687, Master of Management Degree; University of Montana

Commissioner Krause noted he had some concern with the need for the Higher Education Center at WMC, and would be raising those questions with President Easton before the item appears on the action agenda.

Dr. Krause also reviewed the actions taken by Malmstrom Air Force Base which in part led to the development of the Master of Management Degree proposal from the University of Montana. He referenced also a proposal for a Master of Management Degree from Montana

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State University which has been in their long range planning for some time. While the proposal before the Board is intended to serve a particular need in the Great Falls area, there are several issues to be explored before action is taken on UM's proposal. Considerable interest has been expressed by some citizens of Great Falls that the University System have more of a presence in that area.

Capital Construction Committee

Item 55-801-R0687, Authorization to increase spending authority - Parking Lot Construction (Ref. Item 50-801- R0386); Northern Montana College, was reviewed by Mr. William Lannan. President Merwin and Mr. William Byars elaborated on the proposed project, and responded to Regents' questions on the scope of the project and availability of funds. On motion of Regent Hurwitz, the item was approved.

Item 55-103-R0687, Brantley Hall Renovation; University of Montana was reviewed by Mr. Lannan and recommended for approval. After discussion, on motion of Regent Kaze, the item was approved.

New Business

Residency Appeals

It was the consensus of the Board both appeals would be heard. Copies of the System's residency policy were distributed by Chief Counsel Schramm.

Chairman Lind asked if Mr. Williams was present, and received no response. Dr. Schramm reviewed the facts in the residency appeal of Paul Alan Williams as set out in the memorandum to the Board dated May 12, 1987, distributed with the agenda material (on file). The appeal has been extensively reviewed by both the

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campus and the Commissioner's office, and has been consistently denied. The circumstances of this appeal were somewhat unusual because of Mr. Williams' age (17), and because of the circumstances of which parent had physical custody, and which provided his support. Several sections of the Regents' residency policy would apply, and to some Regents, they appeared contradictory. After lengthy discussion, Regent Hurwitz moved the Commissioner's decision to deny in-state status for fee purposes for the time in question be upheld, and the appeal denied. Regents Morrison, Birkenbuel and Redlin voted no. Regents McCarthy, Hurwitz and Kaze voted yes. Chairman Lind voted yes, noting however it appeared there were grey areas in some sections of the residency policy that could lead to varying interpretations. The Commissioner's decision was upheld, and the appeal denied. (See below)

Next Dr. Schramm reviewed the facts in the appeal of Tim Johnson. Mr. Johnson was not present. Dr. Schramm informed the Regents Mr. Johnson's certified notice that the appeal would be on today's agenda was returned as undeliverable. Mr. Johnson's appeal was denied based on his not obtaining a Montana driver's license until at least two years after he had registered a motor vehicle in Montana, based on Section 4 (a) and (b) of the Regents' residency policy and in compliance with state law. Mr. Johnson argues he had met all other residency requirements, and the drivers license is overemphasized in residency determinations.

Regent McCarthy moved the Commissioner's decision be upheld, and residency for in-state fee purposes for the period in question be denied. Regent

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Redlin noted some discomfort with application of the "clock indicators" in the residency policy in what could be perceived as an authoritarian manner. The question was called, and the motion to uphold the Commissioner's decision carried.

Item 55-003-R0687, Congressional Teacher Scholars, 1987-88; Montana University System

Bill Lannan reviewed how applications were scored for the Congressional Teacher Scholarships, noting the Regents as the responsible state agency must approve the selection of the Scholars. High school students applying for the scholarship can receive up to a maximum of 30 points for their high school GPA. A written essay is also required, which is scored by three readers, based on grammar and content. A letter of recommendation is also required and scored. Extracurricular activities are also evaluated. College applicants are evaluated in the same manner, except their college GPA is included. Based on those criteria, ten Congressional Scholars for the 1987-88 academic year are recommended to the Regents for approval (on file). Five alternates are proposed should the principal recipient elect not to accept the scholarship. Restrictions on continuation in the scholarship program were outlined by Mr. Lannan. On motion of Regent Kaze, Item 55-003-R0687 was approved.

Reconsideration of Residency Appeal of Paul Alan Williams

Chairman Lind stated Mr. Williams is now present and wishes to present testimony in the matter of his appeal. Regent Kaze moved the appeal be reconsidered to allow Mr. Williams to present arguments. The motion carried.

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Mr. Williams reviewed what he considered extenuating circumstances of his appeal not fully detailed in the information submitted. He stated he had not been able to be determined a resident in either California or Montana because of the marital status of his parents. His mother is a resident of California, and his father has resided in Montana since 1984. He stated he had lived in Idaho most of his life, and when his father moved from Idaho to Montana in 1984, his mother, who had legal custody, required him to reside in California. Problems with the family situation in California prompted his return to Montana; he stated he did not move to Montana for the primary purpose of obtaining an education. He is still an unemancipated minor, and his father has legal custody. His father resides in Montana and pays taxes in Montana, which he believed would allow his being granted in-state status for fee purposes under Section 7(a)(ii) of Regents' policy. He has been denied residency status in California because he is a dependent child of a Montana resident.

Mr. Williams responded to Regents' questions regarding place of residence, non-resident status in California, and the duration of his residence in Montana.

Chairman Lind asked Chief Counsel Schramm if he had additional comments based on the statements made by Mr. Williams. Dr. Schramm responded the matter would appear to hinge on how the Board wished to judge the purpose behind Mr. Williams' coming to the state. Regent Redlin stated her belief that Mr. Williams age is pivotal in this matter. She believed because his father

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had legal custody, it would be presumptuous of the Regents to state he could not be a resident of Montana.

Chairman Lind reviewed the steps needed to proceed. A motion is required by a Regent on the prevailing side of the vote taken earlier for reconsideration, then a second vote on whether the Commissioner's decision should be upheld.

Regent Kaze moved for reconsideration of the decision on the appeal of Paul Allen Williams. The motion carried, with Regents McCarthy and Hurwitz voting no.

Regent Morrison moved the Commissioner's decision be overturned, and Mr. Williams be granted in-state residency status for fee purposes retroactive to May 1986. The motion carried, with Regents Kaze, Birkenbuel, Redlin and Morrison voting yes; Regents Hurwitz and McCarthy voting no.

Commissioner's Report

Commissioner Krause reported on a proposal being prepared by the Supercollider Task Force to obtain the supercollider facility in Montana. The University System has been asked by the Task Force to suggest contributions the System could make to make the proposal more attractive. Commissioner Krause suggested with the concurrence of the Board and the presidents he would offer such things as adjunct or joint appointments for scientists working on the project; use of the library network; use of analytical equipment in the System; and continuing education courses on-site as necessary. Each president is also preparing a list of attributes of the individual campuses in relation to its role and scope. Copies of those will be sent to the appropriate person on the Task Force, with copies to the Commissioner.

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President Merwin, a member of the Supercollider Task Force, commented on the proposal being prepared. He noted Montana is competing seriously for the collider facility, but if not successful, will have learned a great deal about the strengths and weaknesses of the state which the Governor and others need to be aware of if the state intends to compete nationally for these types of projects.

At the conclusion of the discussion, Chairman Lind stated it was the consensus of the Board the Commissioner's office be authorized to make representations to the Supercollider Task Force regarding the cooperation of the University System in the state's proposal for the facility.

State Work Study Funds Allocation 1987-88

Copies of the work study funds allocation for 1987-88, with the amount indicated to each institution including the community colleges, was distributed (on file). Mr. Lannan explained the allocation is consistent with Regents' policy for that allocation. The total received for the biennium was \$276,450. Commissioner Krause noted future budget requests will include requests for work study funds for allocation to the state's vocational-technical centers. On motion of Regent Hurwitz, the workstudy funds allocation was approved.

Deputy Commissioner for Academic Affairs

Commissioner Krause asked that two to three Regents be appointed to be involved in the interview process for Deputy Commissioner for Academic Affairs. Chairman Lind appointed Regent Redlin, Chairman of the Curriculum Committee, and suggested one

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other Regent, a member of the Curriculum Committee if possible, assist in that process.

Concluding the Commissioner's Report, Dr. Krause noted the Regents' Vocational-Technical Committee will visit Idaho State on July 6, 1987, to meet with the Director of that institution's vocational-technical program, and tour the facility.

Council of Presidents

President Tietz reported briefly on Montana State University's participation in the site selection for the U S West Project. Dr. John Jutila, MSU, will co-chair the task force preparing the proposal with Director Keith Colbo of the Department of Commerce. Two sites are being considered as possible locations; one is at MSU associated with the Advanced Technology Park. Requisites of the proposal are a total of 100 plus acres be made available for project. Dr. Tietz stated 45 acres are available through the Advanced Technology Park and the MSU Foundation, with the secondary requisite acres proposed to come from land adjacent to the Technology Park currently under the control of the University. Because the proposal must be submitted by July 15, 1987, approval is requested from the Regents for MSU, the Foundation, and the Task Force to proceed with necessary arrangements to make the land available, should Bozeman be the site selected. Regent McCarthy so moved. The motion carried.

Public Relations Statement for the University System

Chairman Lind reported Regents and others have had conversations on the negative image of the System projected by the media as a result of the studies undertaken over the past year, and the severe budget

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constraints faced by the state and the resultant streamlining of some areas of the System. At issue is the prospective students' conception of the quality of education the System can provide.

Chairman Lind stated the Board believed it would be helpful if the University of Montana and Montana State University, utilizing their programs in communications, prepared a release focusing on the stability and the quality of education the System offers. The goal would be to alleviate the fears and concerns of prospective and present students and their parents, recognizing the System has been through a difficult time, but recognizing also the System has now focused the role and scope of the units and will continue to provide stable, quality education to its students.

President Tietz concurred, but cautioned that part of the problem indeed stems from the interpretation placed on any release by the media. President Tietz reiterated his firm belief that the System has the backing of the citizens of the state, which has been demonstrated repeatedly. Any positive attempt to improve the perception of the System's stability should be endorsed, but how it is interpreted by the media will determine its effectiveness.

Chairman Lind requested a statement be developed by the two universities, working with the Commissioner's office, and be made ready for release as soon as possible, stressing the quality and the stability of the System as it now stands.

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Student Regent

Chairman Lind stated this was the last meeting for Regent Scott Birkenbuel, whose term expires on June 10, 1987. He stated the Board's and the System's gratitude and appreciation to Regent Birkenbuel for the contributions and dedication he has shown over the last year.

Chairman Lind then introduced Ms. Leslie Kehoe, a student at Montana State University, who was appointed by the Governor to serve as the student Regent for a one-year term beginning June 10, 1987 and ending June 10, 1988. The Regents welcomed Ms. Kehoe to the Board.

The Board of Public Education, Superintendent of Public Instruction, and Faculty Association had no report.

The Montana Associated Students extended congratulations to Ms. Kehoe on her appointment, and expressed the hope she will help the students contribute to the unity of the System after the turbulent period it has just passed through ends.

Regular Agenda

On motion of Regent Birkenbuel, the following items were approved:

- Item 55-100-R0687, Staff; University of Montana
(As amended on pp 1 and 4,
attached to and made a part
of these minutes)
(Includes Staff and
Salaries for the year July
1, 1987 - June 30, 1988)
- Item 55-200-R0687, Staff; Montana State
University
(Amended on page 49 as
follows: Roger N. Flair,
JD; 1987-88 Proposed Salary
\$49,600 (FY) prorated for
6-month contract ending
12/31/87)

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- (Includes Staff and Salaries for the year July 1, 1987 - June 30, 1988)
- Item 55-300-R0687, Staff; Agricultural Experiment Station
(Includes Staff and Salaries for the year July 1, 1987 - June 30, 1988)
- Item 55-400-R0687, Staff; Cooperative Extension Service
(Includes Staff and Salaries for the year July 1, 1987 - June 30, 1988)
- Item 55-500-R0687, Staff; Montana College of Mineral Science and Technology
(With Addendum attached to and made a part of these minutes)
(Includes Staff and Salaries for the year July 1, 1987 - June 30, 1988)
- Item 55-501-R0687, Degrees; May 4, 1987; Montana College of Mineral Science and Technology
- Item 55-550A-R0687, Staff; Montana Bureau of Mines and Geology
(Includes Staff and Salaries for the Year July 1, 1987 - June 30, 1988)
- Item 55-600-R0687, Staff; Western Montana College
(Includes Staff and Salaries for the year July 1, 1987 - June 30, 1988)
- Item 55-601-R0687, Resolution concerning the retirement of CHARLES A. STAUFFER, Director of Information; Western Montana College
- Item 55-602-R0687, Resolution concerning the retirement of A. ELOISE SNAVELY, Associate Professor of Education; Western Montana College

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- Item 55-603-R0687, Resolution concerning the retirement of DONALD K. GOSNELL, Associate Professor of English; Western Montana College
- Item 55-604-R0687, Post Retirement Contract (Ralph V. Kroon); Western Montana College
- Item 55-605-R0687, Post Retirement Contract (Clayborn J. Anders); Western Montana College
- Item 55-700-R0687 Staff; Eastern Montana College
(Includes Staff and Salaries for the year July 1, 1987 - June 30, 1988, and includes one post-retirement contract)
- Item 55-701-R0687, Dr. Earl K. Warne to Professor of Education Emeritus; Eastern Montana College
- Item 55-800-R0687 Staff; Northern Montana College
(Includes Staff and Salaries for the year July 1, 1987 - June 30, 1988)
- Item 55-802-R0687, Resolution on the Retirement of E. James Brownson, Associate Professor of Art; Northern Montana College
- Item 55-803-R0687, Resolution on the Retirement of Orval Brenden, Associate Professor of Drafting and Construction Technology; Northern Montana College
- Item 55-804-R0687, Resolution on the Retirement of Helen L. Kiesling, Associate Professor of Nursing and Chairperson of the Department of Health Related Studies; Northern Montana College

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- Item 55-805-R0687, Resolution on the Retirement of John W. Goebel, Professor of Industrial Arts Education; Northern Montana College
- Item 55-900-R0687, Staff; Office of Commissioner of Higher Education
(Staff and Salaries for the Year July 1, 1987 -June 30, 1988)

VOCATIONAL-TECHNICAL EDUCATION AGENDA

Commissioner Krause reviewed Item 55-7001-R0687, Interim Vocational Technical Center Policies. He explained it is a transitional policy which allows the Centers to continue operation with minimum disruption during the transition period. The necessary Regent policies for governance of the Centers will be developed as rapidly as possible, and brought to the Board for approval. On motion of Regent Kaze, the item was approved.

Commissioner Krause reviewed Item 55-7000-R0687, Appointment of Directors of Vocational-Technical Centers; July 1, 1987 - June 30, 1988; Montana University System. He noted the Directors of the Centers are the only employees of the Centers that become Regents' employees on July 1, 1987. The faculties remain employees of the local districts. Dr. Krause stated he has met with Superintendents and board members of the local districts, and in most cases has an agreement to proceed in a cooperative manner to make the transition. During the interim period, the System is dependent upon the local school districts for employment, dismissal, setting the local mill levy, and a variety of other matters. The salaries proposed are basically a

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continuation of the current salaries, adjusted for differences in the compensation packages. On motion of Regent McCarthy, the item was approved.

Chairman Lind noted for the record that the Board is aware of the discrepancies in the Directors' salaries, and will work toward equity over the interim.

Dr. Krause distributed a memorandum dated June 2, 1987 with schedules attached showing the bond payment dates and amounts to be paid during the 1989 biennium for the Butte, Billings, and Great Falls Vo-Tech Centers (on file). H.B. 39 requires the Regents' work with the local school districts to determine if the facilities will be leased, or a request made to the legislature to purchase the facilities. The amount provided by HB 39 to pay the bonded indebtedness of the centers for the biennium is about \$40,000 short of the amount needed. That shortage is reflected in the reduced final payment on the schedules attached to the memorandum. The Helena and Missoula Centers have no bonded indebtedness. A verbal agreement exists to lease those two facilities for one dollar or no cost for the biennium.

Commissioner Krause requested the Board authorize legal counsel to prepare appropriate lease documents. Regent McCarthy so moved. The motion carried. The Center Directors will work with Commissioner's staff in developing the lease agreements.

Montana State University and Northern Montana College
Bond Resolutions

Deputy Commissioner Noble stated Item

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55-806-R0687, Preliminary Bond Resolution; Northern Montana College, reported on in the Budget Committee earlier in the meeting, has been received. The resolution authorizes the sale of up to \$1.7 million of special purpose facilities renovation and improvement revenue bonds, series A 1987, at an interest rate not to exceed 10%. These bonds have been privately placed in the approximate amount of \$1.5 million at an anticipated interest rate of approximately 8.6%. Mr. Noble noted NMC's rate will be slightly higher than on the MSU and UM transactions because NMC did not obtain the triple A rating received by those two institutions. The savings anticipated on NMC's transaction is in excess of \$270,000. The broker on this transaction is D. A. Davidson. On motion of Regent Kaze, the item was approved.

Mr. Noble also presented Item 55-201-R0687, Final Bond Resolution; Montana State University, authorizing the issuance, sale, and delivery of \$2,325,000 of special purpose facilities renovation and improvement revenue bonds, Series A 1987, at a net interest rate of 7.512%. The net present value savings is approximately \$131,000. On motion of Regent Kaze, the item was approved.

The meeting recessed at 11:50 a.m., and reconvened at 1:05 p.m. with the same members present.

The afternoon portion of the meeting consisted of presidential evaluations and receipt of institutional reports from President Carpenter, Eastern Montana College; President Koch, University of Montana; and President Merwin, Northern Montana

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College. The written institutional reports presented to the Board are on file in the Commissioner's office.

The meeting adjourned at 5:30 p.m. The next regularly scheduled meeting of the Board of Regents will be held on July 23-24, 1987, in Helena, Montana.

APPROVED:

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

Secretary

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