

*Needs Item
58-004-R0388*

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

DATE: March 24-25, 1988

LOCATION: Student Union Building 202-6
Montana Tech
Butte, Montana

REGENTS
PRESENT: Lind, Hurwitz, Kehoe, Kaze, Mathers
McCarthy, Redlin
Commissioner of Higher Education Carrol
Krause

REGENTS
ABSENT: None

PRESIDENTS
PRESENT: Koch, Merwin, Norman, Tietz

PRESIDENTS
ABSENT: Carpenter, Easton

Minutes of Thursday, March 24, 1988

Chairman Lind called the meeting to order at 1:40 p.m. Roll call was taken and it was determined a quorum was present.

Chairman Lind welcomed newly-appointed Regent William Mathers to the Board, and expressed the Board's appreciation to Regent Mathers for his willingness to serve on the Board.

Montana Bureau of Mines and Geology Report

Dr. Edward T. Ruppel, Director of the Montana Bureau of Mines and Geology, distributed

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packets to each of the Regents containing information on the Bureau and copies of reports published by the Bureau. He reported on the activities of the Bureau of Mines and its contributions to Montana Tech, the University System, and the state. Dr. Ruppel explained staffing and budgeting of the Bureau, what the Bureau does, how it disseminates information on its projects and research to the public, and its interaction with other entities. Among other activities, the Bureau performs water research, conducts geologic and hydrologic research and mapping projects over the entire state, and maintains a network of nine permanent seismic stations, (soon to be expanded to ten) and a varying number of temporary stations to monitor earthquake activity. Published reports on activities and research are an important part of the Bureau's responsibility. Bureau staff also teach at Montana Tech. The Bureau staff totals approximately 36 persons, with a general fund budget of approximately \$1.2 million, augmented by nearly \$1 million in grants and contracts.

Dr. Ruppel spoke to needs of the Bureau. These include a cooperative university-wide program of water research, and a strengthened academic program in water research to support the research within the Bureau. The Bureau's analytical lab operates with aging equipment with an expected life of another two to three years. Without replacement of that equipment, the Bureau will be "out of business." Dr. Ruppel noted the Bureau is also operating without a chief chemist, and that position should be filled. The seismic network needs expansion to monitor earthquake activities, and without additional funding that responsibility will

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probably have to be phased out. Dr. Ruppel explained if that occurs, seismic monitoring will probably be assumed by the University of Utah, but the program will have very different objectives and will not work to Montana's advantage in the way the Bureau does.

Dr. Ruppel concluded with a slide presentation on the Bureau's various monitoring and other activities throughout the state, and responded to Regents' questions.

Chairman Lind thanked Dr. Ruppel for his presentation. He noted some time ago the Board determined it would be beneficial to receive reports such as the one heard today because of the number of allied agencies under the governance of the Board. Such reports provide the Board a better understanding of what its relationship is to those agencies, and what functions are performed by them.

Admission Standards Report

Chairman Lind noted for the record that at this meeting the Board is simply receiving the staff report on the work of the task force on admission standards. Public hearing on admission standards will be held in two locations in the state in April, and there will be ample opportunity at those hearings for public input.

Dr. Albrecht, Deputy Commissioner for Academic Affairs, presented the written Admissions Task Force Report dated March 10, 1988 (on file). He noted the report was written by Commissioner's staff, and the discussions and alternatives presented in the report do not represent a recommendation by all members of the task force. The membership and attendance varied over

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the life of the group, which sought only to collect and discuss possibilities. Dr. Albrecht reviewed the history of previous actions taken on admission standards, and explained the task force, which has been meeting for approximately the last six months, focused on two aspects of admission standards: college preparatory curriculum and entrance standards.

College Preparatory Curriculum

Dr. Albrecht reviewed the work of the task force on the college preparatory curriculum set out in the report. In conclusion he stated it is reasonably accurate to assume that a college preparatory curriculum simply challenges high school students to perform at a high level. That is the evidence in state after state across the country which have implemented such programs. Some eighty percent of Montana students are taking the college preparatory program, and at least fifty percent are college bound. The recommendation of the staff on the college prep curriculum is that the Board take no action to change the requirements of the college preparatory curriculum presently in place.

The Board discussed the various alternatives suggested in the report, particularly the proposed alternative which reduces the number of units of the college prep curriculum to twelve by eliminating fine arts and foreign languages. Shifts in the vocational areas in secondary schools in Montana were also discussed. Particularly in the small rural schools the resources are not available to prepare students for the full range of vocational programs available on the postsecondary level. The Office of Public Instruction is very conscious of this problem, and eager to develop

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programs in the high schools that will lead students on to postsecondary experiences.

Dr. Albrecht noted one aspect of the admission standards project that has been most worthwhile is that it has enabled the Board to make it clear to the Montana public that postsecondary education is very broad now. There is interest in the education of all Montana citizens on a postsecondary level. While this project has focused on the college bound, the coordination of the vo-techs, working with the community colleges, means there is interest in what happens to all students on a postsecondary level. Projections indicate that by the year 2,000, eighty percent of all jobs will require postsecondary education -- but not necessarily a college degree. The System has to make it possible for all students to go beyond high school to a further educational experience. The tracking this project sets up for the college bound student can be paralleled with other kinds of postsecondary experiences. This was discussed at great length in the task force.

Commissioner Krause reported briefly on two national studies conducted to determine how prepared high school graduates are to enter the workplace. He also commented on how important a core of general education classes is to the accreditation of the vo-tech centers. Commissioner Krause endorsed the proposed admission standards, stating these standards will provide Montana with a basic well educated citizenry, and give the students a much better chance at success in whatever field they choose.

Regent Lind questioned if other states that have adopted core curricula have included

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vocational education as an option. Dr. Albrecht responded only one state had included that option to the best of his knowledge, and briefly discussed the rationale. Many vocational educators argue the math or science content of particular vocational courses is equivalent to math and science courses. That is no doubt true of particular courses. Candidly, it is not true on a statewide basis. The difficulty comes in trying to specify a vocational course that has the same math content as algebra II.

Chairman Lind then asked what options exist for first-time entering freshmen who do not take the college preparatory curriculum. Dr. Albrecht explained the several options available for those students, including their being able to enter the System after they are twenty-one years of age as non-traditional students, and thereby having become exempt from the requirement.

In response to questions on remediation, Dr. Albrecht responded a separate recommendation will be brought to the Board on that issue at the June 1988 meeting. Staff believes that issue should be addressed separately from admission standards.

President Merwin, Northern Montana College, endorsed the college prep program, but urged consideration of Alternatives I and II in the report because they allow greater flexibility. He spoke to Montana's natural resource based economy, stating the labor demand that is developing for Montana's economic revitalization is in the field of technology. A broad based education which mirrors the needs of the community is necessary for Montana's labor force of the present and the future.

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President Tietz concurred. Students who attend college probe their careers during that experience. Students who do not go to college should not be discouraged from probing the other alternatives to a college education. He cautioned against pressing too hard on "college preparatory", and urged instead that "postsecondary" be more widely utilized.

Entrance Requirements

Dr. Albrecht explained the other part of admission standards looked at in December 1986 are entrance requirements. The section of the report dealing with this topic was reviewed. The intent of the Board did not appear to be to move students, nor to make the University System an elitist system. The concern of the task force was to provide access to quality institutions. Dr. Albrecht reviewed the rationale for distinguishing between the colleges and universities, and the gathering and monitoring of data by the institutions and the Commissioner's office which will lead to better tracking of students and more accurate predictions of success and higher rates of retention. Dr. Albrecht also addressed the rationale for differentiation between groups of students. Concluding his review, Dr. Albrecht stated the staff recommendation on entrance standards is as follows:

Transfer students: 2.0 g.p.a. for all state institutions

Non-traditional students: open admissions for students who are 21 or older

Post-baccaulaureate students: open admissions

Part-time students: open admissions

Summer only students: open admissions

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Extended degree students: open admission

Non-resident students: the same standards as for resident students

The primary group to whom the standards below apply are the first-time, full-time freshmen. The staff recommends the following minimum institutional standards:

	<u>ACT</u>	<u>GPA</u>	<u>Class Rank</u>
Montana State University Montana Tech University of Montana	20	2.50	upper third
Eastern Montana College Northern Montana College Western Montana College	18	2.00	upper half

Dr. Albrecht stated entrance standards tell a high school student what is expected of them if they intend to go to a particular institution, and how other students against whom they will be competing will be prepared for college. The standards proposed are not low standards. By implementing these standards a statement is made that Montana institutions are easily the quality of our peers, which may be an important second benefit to having published standards.

Regents questioned the purpose of having entrance requirements in addition to the college prep program. Dr. Albrecht explained the intent is not to eliminate students, but to raise the quality and level of preparation of those students entering college. The percentage of students who can be exempted has been suggested to be 15%; Dr. Krause stated he believed that was too high, and hoped it would be lowered. He explained the positive impact the college prep program

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has had in the few years it has been in place. There is a place for both college prep and entrance requirements.

President Koch spoke in support of admission standards, concluding he believed admission standards would be good for the University of Montana. They will help focus resources and result in more students being interested in the University, particularly increasing interest in students out-of-state.

Ron Sexton, Academic Vice President at EMC referenced the letter written by President Carpenter to the Regents on the issue of admission standards. EMC believes admission standards as proposed will impose a two tiered system and will convey another message -- that there are lesser institutions in the state. The issue of quality is as important to the colleges as it is to the universities. Adoption of these standards will make recruitment much more difficult for the colleges.

President Merwin concurred with Dr. Sexton's evaluation of the message sent that admission standards would establish a two tiered system, as did Dr. Henry Worrest, Academic Vice President at Western Montana College.

Dr. Albrecht responded to the concerns expressed. He stated each institution could establish standards above those proposed -- the proposal suggests only minimum standards that must be met for admission. There is no implication that a student at one institution will receive a lesser education than at another. What will be examined is what the student

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presents on entrance to the institution. The recommended entrance requirements give parents and students more information than they have had in the past in determining which institution they would like to attend.

At the Chairman's request, Dr. Albrecht concluded the staff report on admission standards with clarification of some additional details of the recommendation. Nontraditional students (defined as students 21 years of age and older) would not be required to meet the entrance requirements. Transfer students are recommended to have a 2.0 GPA regardless of where the student transfers from or to. Nonresident students would be subjected to the same requirements as resident students in every category. Summer only and parttime students would also be exempt.

Dr. Albrecht also explained the work in progress to establish a transfer committee which will start work in late March, and will begin by surveying the transcripts of transfer students to determine where they have lost credits, and where the problems seem to be, etc. Staff is hesitant to recommend any change in policy until it has been determined where the problems are. There simply isn't enough staff to carry on that project and the admission standards project concurrently. Each institution is also working at this time on two plus two articulation agreements. A report should be brought to the Board on the transfer issue and the articulation agreements in six months to a year.

Chairman Lind then stated for the record that public hearings on admission standards will be held

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in Billings on April 18, and in Helena on April 19, 1988. Public input will be solicited at those hearings on the college preparatory program and entrance standards. Any alternative in the staff report is open for public comment, and other alternatives may be proposed.

Regent Redlin stated her continued support of the college preparatory program, and referenced her previous affirmative vote on the mandatory college prep policy after a plea that the program not be made mandatory until results on the proposal in its earlier voluntary status could be documented. The proposal she is presenting represents a continuation of her previously stated position. Regent Redlin stated the proposal she wishes to place before the Board today makes no change in the mandatory college prep policy other than to delay its implementation. There are, however, some specific comments on remediation. She noted also that the task force and the staff worked from the approved Board policy. Had she submitted this proposal to them they would not have been able to consider it. Regent Redlin stated she had two main purposes in making this proposal: (1) to allow the establishment of a data base of Montana statistics, and (2) to provide secondary schools a longer time to evolve cooperative arrangements for their vocational-technical courses. She then outlined the details of her proposal titled "Admissions Standards" (on file), and asked its consideration with any other alternatives to the staff report received.

The meeting recessed at 3:35 p.m. Regents and other interested persons participated in a long

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range building program review and tour of the campus.

Minutes of Friday, March 25, 1988

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

Chairman Lind called the meeting to order at 9:55 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 two previous meetings. None were stated, and the minutes of the January 21-22, 1988 meeting and the February 8, 1988 conference call meeting were ordered approved.

Vocational-Technical Education Agenda

Vocational-Technical Education Committee

Deputy Commissioner Brady Vardemann reviewed Item 58-7017-R0388, Appointment of Technical Committees for Vocational Education; Vocational-Technical System, which authorizes appointment of a limited number of technical committees to advise the State Council on Vocational Education and the Board of Regents on "the development of model curricula to address state labor market needs" in accordance with the requirements of P.L. 98-524. Technical committees in five areas are recommended to be established. Ms. Vardemann distributed handouts on the "Tasks of Technical Committees" and suggested representation on each of the committees (on file). Names of individuals who will serve on the committees will be brought to the Board at the May 1988 meeting.

President Tietz requested the representation on the Agriculture Committee include representatives from the Cooperative Extension Service

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and the Agricultural Experiment Station. That list was so amended.

On motion of Regent Kaze, Item 58-7017-R0388 was approved. The motion included approval of the types of representatives to be appointed to the technical committees contained on the handouts.

Deputy Commissioner Vardemann reviewed Item 58-7018-R0388, Approval of Montana State Plan for Vocational Education, FY89-90; Montana Vocational-Technical System. She explained each state receiving funds through the Carl D. Perkins Vocational Education Act shall submit to the Secretary of Education a State Plan describing its use of federal funds. The initial state plan was for a three year period (1986-87-88). After the initial three-year period, P.L. 98-524 requires each state develop a plan for every two-year period thereafter, with such annual revisions as the State Board determines necessary. Ms. Vardemann explained the broad dissemination of the plan to appropriate groups, and the public hearings held on the plan in compliance with statute. She recommended the item be approved.

On motion of Regent Hurwitz, the item was approved.

Chief Counsel Schramm presented Item 58-9501-R0388, Land Purchase and Resolution; Missoula Vocational-Technical Center. The document transfers the local school district land and buildings now used by the Missoula Vocational Technical Center to the Board of Regents for a nominal sum (\$10.00). The accompanying resolution makes clear that this transfer does not extinguish all rights the Center may have in some other

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parcels in which equity is split between the school district and the Center. The transfer and the resolution have been approved by the Missoula school board.

Dr. Schramm noted the Quit Claim Deed does contain a reversion clause. In the event the Board of Regents stops running a vo-tech program in Missoula County prior to June 30, 1992, the property reverts back to the school district. With the uncertainty of availability of state resources, the Missoula school board felt this safeguard was necessary to ensure continuation of a vo-tech program in the county.

After discussion, on motion of Regent McCarthy, the item was approved.

Dr. Schramm next reviewed Item 58-7501-R0388, Lease Agreement; Billings Vocational-Technical Center. This agreement approves leasing the Billings Vocational-Technical Center site from the Billings school district until June 30, 1989. The lease payments are made by money appropriated by the legislature, and the rent approximates the amount the school district remits for bond payments on the building. The terms are identical to the Butte and Great Falls Vocational Technical Center leases approved at the last meeting. The lease has been approved by the Billings school board.

On motion of Regent Kaze, the item was approved.

Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, reviewed the following several fee policies, explaining these are an initial attempt at standardizing vocational-technical fee policies and charges wherever possible. The items

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establish uniform fees and accounting/depository procedures for the vo-tech schools, paralleling the fee structure of the Montana University System as much as possible. Some Centers have a few semester classes and those course fees will be prorated accordingly.

Material distributed (on file) provided a recap of changes in vo-tech system fees for full-time students and a listing of other fees previously charged at some or all Centers at varying rates that are now uniform fees in the System. Mr. Noble explained a registration fee is being established similar to that in the University System. The registration fee is \$10; it is non-refundable, and is established to meet those costs incurred by an institution to enroll a student. There is a slight adjustment to the tuition policy to assure uniformity. That fee changes from \$225 to \$240. The building maintenance fee is a new fee. It is the equivalent of one dollar per credit hour in the University System. As the vo-techs assume state agency status, they will not have reserve or bonding capacity the school districts currently provide, yet they will have maintenance costs that must be met. A computer fee is imposed to supplement legislative monies provided for computer needs of the vo-techs. Both the maintenance and computer fees will be deposited in plant funds and can accumulate. The monies have to be used for the purposes for which they are established, and cannot be used for staffing. A student government fee policy is also enacted. Students at the Centers will determine if they wish that implemented at the individual Centers.

Mr. Noble reviewed the remainder of items, and responded to Regents' questions. Mr. Noble then recommended the following items be approved:

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Item 58-7001-R0388, Application Fee; Montana Vocational-Technical Centers
Item 58-7002-R0388, Registration and Tuition; Montana Vocational-Technical Centers
Item 58-7003-R0388, Late Registration Fee; Montana Vocational-Technical Centers
Item 58-7004-R0388, Transcript Fee; Montana Vocational-Technical Centers
Item 58-7005-R0388, Fee Refund Schedule; Montana Vocational-Technical Centers
Item 58-7006-R0388, Building and Maintenance Fees; Montana Vocational-Technical Centers
Item 58-7007-R0388, Use of Plant Funds, Including Student Building Fee Reserves, for Projects Under \$5,000; Montana Vocational-Technical Centers
Item 58-7008-R0388, Use of Plant Funds, Including Student Building Fee Reserves, for Projects Over \$5,000; Montana Vocational-Technical Centers
Item 58-7009-R0388, Building Fees; Use of; Montana Vocational-Technical Centers
Item 58-7010-R0388, Motor Vehicle Registration Fees; Montana Vocational-Technical Centers
Item 58-7011-R0388, Returned Check Fee; Montana Vocational-Technical Centers
Item 58-7012-R0388, Course Audit Fee; Montana Vocational-Technical Centers
Item 58-7013-R0388, Withholding Registration, Transcripts, and Diplomas from Students Owning Debts; Montana Vocational-Technical Centers
Item 58-7014-R0388, Computer Fee; Montana Vocational-Technical Centers
Item 58-7015-R0388, Vehicle Regulations and Parking; Montana Vocational-Technical Centers
Item 58-7016-R0388, Inventory and Validation of Fees; Montana Vocational-Technical Centers

On motion of Regent McCarthy, the above items were approved.

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Status Report on Administrative Structure Review;
Montana Vocational-Technical Centers

Deputy Commissioner Vardemann reported that since the January 1988 meeting at which the Regents chose a vo-tech governance model for further investigation, staff and the affected institutions have attempted to complete the development of a number of vital but time-consuming projects. The RFP process for obtaining the Perkins monies has been refined and developed. Staff, in conjunction with the Office of Public Instruction, developed a special RFP for the development of a Montana Center for Vocational-Education Research, Curriculum and Personnel Development. A number of responses have been received, two from two of the senior institutions received will be assessed in the next weeks. Approval of the State Plan at today's meeting put this project ahead of schedule.

A great deal of time has been spent on the vo-tech campuses getting staff and faculty perspective on programs, the tasks before us, how they would respond to the issues, and what role they would hope to play in the transition process.

Ms. Vardemann distributed copies of the "Charge to Campus Coordination Task Forces" (on file) given by Commissioner Krause to the University System presidents and vo-tech center directors. This charge was given to begin implementation to the "Cooperative Model" of vo-tech governance unanimously adopted as the administrative model by the Regents on January 21, 1988. A Campus Coordination Task Force will be established at each center/University System unit

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location for systematic exploration of all cooperative linkages between the centers and the units. The make-up of the task forces and statewide coordination responsibilities included in the charge were reviewed by Ms. Vardemann. Development of specifically targeted areas for investigation and timetables for the program of work at each location shall be addressed by each task force at its first formal meeting. Progress of each task force will be reported to the Board at the May 1988 meeting.

Ms. Vardemann also spoke briefly on the on-going involvement of Northern Montana College in the leadership of vocational-technical education.

Collective Bargaining Committee

Sue Romney, Director of Labor Relations and Personnel recommended approval of the Collective Bargaining Agreement between the Montana University System and Local 2235, American Federation of State, County, and Municipal Employees, AFL-CIO (Northern Montana College). She stated the contract covers approximately eighty classified employees at NMC. The specific provisions of the agreement were reviewed with the Regents in executive session. The agreement is consistent with the state-wide pay freeze, and has been ratified by the bargaining unit.

On motion of Regent McCarthy, the Agreement was ratified and approved.

Budget Committee

Chairman Lind noted for the record that Item 58-001-R0388, Library Use Fee; Montana University System, has been moved to the Submission Agenda of the By-Laws and Policy Committee.

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Jack Noble presented Item 58-003-R0388, Authorization to Refund State Telephone Bond Issue; Resolution Authorizing Acknowledgment and Acceptance of Amended and Restated Equipment Lease Purchase Agreement and trust Agreement Relating to a Communication System Project; Montana University System. The item is presented at the request of the Dorsey law firm of Minneapolis, who is attempting to refund the state telephone bonded indebtedness. The Regents' were signatores to the original bond issue. The item amends the original item and provides authority to refund that portion of the issue that pertains to the University System. If the refunding is successful, there may be some flow through savings to the campuses.

On motion of Regent Hurwitz, the item was approved.

Item 58-004-R0388, Authorization to request Supplemental Appropriation; Millage Revenue Shortfall; Non-Resident Tuition Revenue Shortfall; Montana University System, was reviewed by Deputy Commissioner Noble.

Mr. Noble began by recapping the history of the millage shortfall as set out in his memorandum to the Board dated March 15, 1988 (on file). Schedule A of that memorandum shows that in original House Bill 500 the appropriated millage account was \$14,669,000. During the special legislative session of 1986 to adjust state budgets a debate occurred over utilizing the reserves of the six-mill levy account. At that time the legislature appropriated \$18,049,000 of millage, or \$3,380,000

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more than was in the original appropriation act, and reduced the University System's general fund monies. Millage was exchanged for general fund. Concern was expressed by the University System both in philosophical terms, and in the amount appropriated. Both the account receivables and the delinquent receivables in the millage account were appropriated. The legislature was warned at that time that the University System would be forced to borrow at the end of the year from the general fund to meet the appropriated amounts in HB 30. The legislature did approve supplementals in the 1982-83 period when the millage account was over appropriated. In the 1986 special session there was an apparent feeling in the legislature that a supplemental would again be approved.

Mr. Noble explained at the end of fiscal 1987 the System had to borrow \$1.7 million, of which \$548,000 was a negative fund balance. He pointed out the millage deposit comes in from the counties in June, at the end of the fiscal year. If the appropriated millage amount does not materialize, it is not possible to cut the campuses budgets that deep in the final days of any fiscal year .

Mr. Noble referenced discussion held with the Board in December 1987 cautioning that once again there was going to be a shortfall in the millage account. Revised revenue estimates were requested from the Department of Revenue in December 1987. The estimates indicated a \$1.5 million shortfall this year, moving towards a \$3.5 million shortage at the end of the biennium. Although the

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statute allows borrowing from the general fund to meet the shortfalls, that authority resides with the Governor and/or the Department of Administration, not the Regents. It did not appear to be fiscally sound for the System to borrow \$3.5 million when there appeared no chance of recovering the negative fund balance.

Mr. Noble continued it now appears the millage account will be short \$843,000 this year based on revised estimates. Projected next year the shortage would be approximately \$1.6 million. A meeting was held with the Governor, who recommended a meeting with the Legislative Finance Committee to discuss alternatives. Those appear to be: obtain a supplemental; continue to borrow from the general fund to cover the shortfall, leave the account in a negative fund balance; or reduce the budgets of the six campuses of the System. Those units on the semester system have only one month left in the current fiscal year. There is not time to reduce budgets sufficiently in this fiscal year to recover such an amount. Mr. Noble noted that this issue, in concert with the nonresident tuition revenue shortfall to be discussed next, presents the System with serious financial problems.

Mr. Noble responded to Regents' questions on the millage shortfall and the general fund borrowing procedures. He also noted the Legislative Finance Committee does not have authority to solve this problem; that authority rests with the Governor. The meeting of the Finance Committee is scheduled in early April; Commissioner Krause will

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inform the Board when that meeting date is set. If the situation is resolved in such a manner that further cuts have to be made, it will still be necessary to obtain a supplemental or borrowing authority to provide the campuses an opportunity to make those cuts in the next fiscal year.

Chairman Lind stated it will be necessary to meet with the Governor immediately after the meeting with the Legislative Finance Committee. He requested members of the Regents' Budget Committee be present at that meeting to discuss both the Regents' and the Finance Committee's suggestions on a resolution of this problem, and the nonresident tuition shortfall.

Nonresident Fee Revenue Shortfall - MSU/U of M

Mr. Noble reviewed the material on the nonresident fee revenue shortfall contained in the memorandum to the Director of Budget and Program Planning dated March 10, 1988 (on file). He explained during the last legislative session both universities expressed concern that the estimates of the Legislative Fiscal Analyst on the amount of revenue that would be realized over the biennium from nonresident fee revenues were too high. Information was provided during the course of several meetings with the Education Subcommittee of Appropriations in support of this position. The System did not prevail on this issue in the Subcommittee or the House. The Senate Finance and Claims Committee, however, addressed the problem by inserting language in H.B. 2 that would provide relief in the event the System's estimates proved accurate. The schedules provided

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with the memorandum show the original amounts appropriated in H.B. 2 based on the original enrollment estimates used by the Education Subcommittee. Mr. Noble explained how the adjustments were developed. The approach used regenerated the revised enrollment estimates through the formula and discounted the revenue shortfall for the enrollment decline. While there is not consensus on the amounts, it is believed the supplemental request is consistent with the intent of the language in H.B. 2.

President Tietz spoke to the difficulty the campuses have in the budgeting process in budgeting on an anticipated enrollment. Financial commitments have to be made based on that projected enrollment. This has been a point of contention when supplementals have to be requested. Budgetary commitments have to be made on July 1 or September 1 for the coming year based on the best estimates for the future. When a shortfall occurs and a supplemental is sought, that supplemental should be requested for the amount actually budgeted, not for what theoretically would have happened if a different enrollment figure had developed or if the unit had been able to predict it would be down a certain number of students. He argued the appropriate request should be based on the budgeted H.B. 2 figure, both for enrollment and for revenue.

President Koch provided additional comment on the budgetary problems created by budgeting so far out front and the commitments that have to be made. He stated it would be virtually

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impossible for the University of Montana to make up the shortfall between now and June 30.

After brief discussion, on motion of Regent Hurwitz, Item 58-004-R0388 authorizing requesting a supplemental appropriation for the millage revenue shortfall and the nonresident tuition revenue shortfall was approved.

Capital Construction Committee

Reference was made to the letter of March 9, 1988 from the Commissioner to George L. Mitchell, Director of Financial Services, University of Montana (on file). The letter ratified the previous action of the campus in the purchase of four properties within the previously approved property acquisition zone at the University of Montana. Report of the purchases to the Board is required by Board policy.

William Lannan reported on Item 58-101-R0388, Replacement of South Campus Water Main; University of Montana. The item was approved by mail ballot and is presented at the meeting for confirmation of that action. On motion of Regent Kaze, the mail ballot approval of Item 58-101-R0388 was confirmed.

After review and discussion, on motion of Regent Hurwitz, the following capital construction items at the University of Montana were approved:

- Item 58-102-R1287, Provide and Install Range Hood Fire Extinguisher Systems in Lodge and University Center Kitchens to Comply with Fire Marshall Report and Fire Codes; University of Montana (REVISED)
- Item 58-102-R0388, New Water Service for Lubrecht Forest; University of Montana

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On motion of Regent Redlin, the following capital construction item at Montana Tech was approved:

Item 58-502-R0388, Authorization to Request the Appointment of an Architect to Plan and Design the Repair of the HPER Roof and to Proceed with the Project Completion at an Approximate Cost of \$180,000; Montana College of Mineral Science and Technology

Commissioner Krause presented Item 58-701-R0388, Purchase of Real Property; Eastern Montana College. He referenced the letter from Kenneth Heikes, Administrative Vice President, EMC, which set out the details of the proposed purchase (on file). The property will be sold on March 30 by the Small Business Administration by public sealed bid auction. The item authorizes the President of Eastern Montana College to submit a sealed bid proposal for the property located at 1302-1308 North 27th Street, Billings, Montana, located at the southeast corner of the main college campus. Funds for the purchase will come from the Series B 1985 Revenue Bonds. The item was discussed with the Regents in executive session, and parameters set for the purchase. Commissioner Krause recommended the item for approval. On motion of Regent Kaze, the item was approved.

Curriculum Committee

Submission Agenda

Chairman Lind stated that without objection comments would be received on Item

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58-501-R0388, Approval of Proposed Minor in Business;
Montana College of Mineral Science and Technology.

Because today's meeting is being held on the Tech campus, community leaders and others requested an opportunity to speak on the proposed minor without the need to travel to another city when the item is on the action agenda.

Dr. Albrecht stated that in accordance with the expression of the Board last year in discussing duplication of business programs in the System, the vice presidents and others are being called together to discuss the proposed minor, the two plus two transfer programs in business, and other issues. Montana Tech has been especially helpful in postponing an associate degree proposal pending these discussions. Staff comments on these matters and the associate degree in business at Western Montana College will be made at the June 1988 meeting.

Dr. Norman thanked the Board for the opportunity to make statements on the submission agenda item. He stated Tech's recognition and intent to comply with the spirit of the decision to abandon the baccalaureate degree in business at Montana Tech. The decision affected some 25% of Tech's enrollment. Some conversations were held on the possibility of serving the large place-bound population enrolled in business programs at Montana Tech through some type of remote delivery of business courses by the universities. That has not proven to be feasible. However, this problem will be addressed through the two-plus-two program in business administration with all units of the University System who offer the baccalaureate degree.

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Curriculum advisory groups have made their visitations this past year, and have demanded Tech increase the business acumen of its engineering graduates. The proposal for a minor submitted today seeks in part to address some of these problems.

Montana Tech's ABET accreditation requires offering a certain number of business administration courses to engineering students.

Representative Joe Quilici and Senator Judy Jacobson spoke in favor of the proposal, and to their belief it would not be a duplication of programs, but a real benefit to Montana Tech and the Butte community.

Don Peoples, Chief Executive Office, Butte Silver Bow County, also spoke in favor of the proposal and its positive impact on economic development to the area.

Item 58-501-R0388 was received for consideration at a future meeting.

Item 58-603-R0388, Associate of Science in Business; Western Montana College, will be held for consideration at the May meeting.

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Dr. Albrecht noted the three items on the action agenda are "housekeeping" items at Montana State University, have been discussed previously, and are recommended for approval. He suggested they be acted on concurrently.

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

- Item 58-201-R0188, Change the Name of the Department of Agricultural and Industrial Education; Montana State University
- Item 58-202-R0188, Change the Name of the Department of Veterinary Science and Veterinary Research Lab; Montana State University
- Item 58-203-R0188, Authorization To Terminate the Degrees of Bachelor of Arts in Theatre Arts and Bachelor of Science in Film and Television Production and to Grant the Degree of Bachelor of Arts in Media and Theatre Arts; Montana State University

Progress Report on Billings MBA Program

President Koch, University of Montana, reported on the steps in place to implement the Billings MBA program. The academic structure is in place, and the technology for its delivery has been identified. The first course to be taught this fall will be Administrative Accounting Controls, and a brochure has been published. President Koch stated the program is important as an academic program in its own right, but also as a demonstration project in the sense of showing the entire state what the System can achieve with telecommunications. It is also an important demonstration of public/private partnership evidenced by the fundraising efforts now being conducted under the leadership of Eastern Montana College's foundation. The monies raised will enhance Eastern's library, and acquire microcomputer facilities to support the program and eventually

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achieve accreditation from the AACSB. It is also a resounding example of interinstitutional cooperation. President Koch had only compliments for the help from the host institution, Eastern Montana College, and its staff. He noted a tuition proposal for the program will be brought to the Board similar to that in effect for the Great Falls program, probably at the May 1988 meeting .

President Koch concluded, stating the appropriation for this program received from the legislature was for only one year. With the support of the Regents, and the successful implementation of the program, it is hoped additional funding will be received from the next legislative session.

Provost Don Habbe gave a brief historical perspective on the program, and provided additional details on the programs development as an example of the University System truly functioning as a System in this cooperative effort.

Dean Larry Gianchetta, Dean of the School of Business Administration, UM, and David Wilson, Director of Communications, described the essence of the program, and provided information on how the television signal would be delivered from Missoula to Billings.

Chairman Lind relayed the Board's appreciation and enthusiasm for the successful beginning of what is hoped will be a hallmark example of cooperation within the University System and with the private sector as well.

By-Laws and Policy Committee

Submission Agenda

Commissioner Krause commented briefly

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on Item 58-001-R0388, Library Use Fee; Montana University System. Presentations have been made to the Board on the extremely serious nature of the libraries' financial problems and proposals that might relieve some of urgency for the short term. A general use library fee for non-students and faculty was one of the short term suggestions. Another suggestion was a student fee similar to the System's computer fee. The student associations have been asked to respond to a suggested one dollar per credit hour library fee, but that is not being proposed at this time.

It is believed the general use fee will raise some small amount of money, but it will not begin to address the magnitude of the financial problems facing the libraries. It is essential to receive legislative enhancement of the library budgets, and that will be built into the formula process.

Commissioner Krause stated he believed the System is well beyond the point that it can continue to provide free services to the general public. The item is extremely controversial, and opportunity will be provided for public comment when the item is placed on the action agenda at the May 1988 meeting in Havre, Montana.

After brief review, the following items were received for consideration at a future meeting:

Item 3-008-R1273,	<u>Property Management; Montana University System (REVISED)</u>
Item 58-002-R0388,	<u>AIDS Policy; Montana University System</u>
Item 58-001-R0388,	<u>Library Use Fee; Montana University System</u>

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New Business

Commissioner's Report

Commissioner Krause stated he had received a request from persons in attendance to speak to concerns they have with placement in the upper division courses in the nursing program.

Pam Tolefson, a student in the MSU School of Nursing, expressed her belief there is lack of concern for the students and an unwillingness to help students on the part of the administration. The problems are severe enough to call into question whether she and others will be able to continue in the program. Ms. Tolefson's problems centered on a misdirected transcript and placement on the Great Falls campus rather than the Missoula campus for upper division training. It was alleged the structure of the program causes severe financial hardship because of relocation requirements, and disruption of family life.

Lois Johnson, speaking on behalf of a number of Montana nursing students, spoke to the personal, emotional, and financial hardships necessary to obtain a nursing degree under the present structure of the program. A resident of Missoula, and a wife and mother, Ms. Johnson was required to move to Bozeman for two quarters of training, leaving her children behind. The courses were exceptional, but no recognition was given to special needs such as family considerations. Students were told grade point average and special needs would determine the location of their internship. She stated this has not been the

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criteria of MSU, complicated by the financial burden of having to move from place to place.

Commissioner Krause commented briefly on the budget constraints which necessitated closing the Butte extended campus of the MSU nursing program, and reducing the number of slots from sixty at one time, to forty-four; now to twenty-two. There are forty-seven applications for placement at Missoula, and this does create severe problems. He asked the presentors if they had followed the campus grievance procedures. This would be important before the matter could be addressed by the Board. He noted there are an enormous number of mitigating circumstances. Nursing is still, however, more accessible than any other program in the System because of the number of locations at which it is offered.

Acting Dean Long, MSU, spoke to the University's willingness to look into the situations described today. The College of Nursing has followed its written procedures in these cases, as in all others, which Dean Long briefly summarized. Hardship cases are given special consideration for placement under prescribed criteria.

President Tietz asked to speak to the rather harsh criticism he felt was leveled against the MSU nursing campus. In regard to the question asked as to who would take responsibility, President Tietz stated he would take responsibility for the MSU nursing program. The key issue is that any other nursing program in the country of the caliber offered at MSU is offered in a single place. People disrupt

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their lives for four full years, and stay on those campuses. In response to the System concept, MSU chose to provide three nursing programs at multiple sites in the state of Montana. Eleven sites offer the pre-nursing program. MSU asks the students come to MSU for two quarters -- not four years. Then placement is attempted in the appropriate locations. Full consideration is given to their requests if indeed they follow the rules and procedures. When there is a variance, MSU is asked to compromise those who did follow the procedures. There were 120 some students satisfactorily handled. President Tietz stated he had great empathy for the students present today and all like them. The problem the institution has in terms of its administrative staff and its role as it has been defined by finances is very difficult. MSU does the best it can under adverse financial circumstances.

Commissioner Krause spoke to the various issues surfacing around the state concerning the nursing program. Representatives Simon and Bradley are asking a number of people to meet on this issue on March 29, 1988, mainly focusing on entry into practice. The agenda, however, goes well beyond that. There is a real sense of urgency on the part of the health care community regarding the shortage of nurses and the lack of people enrolling in nursing programs. There is also concern about the System's ability to continue to deliver nursing programs with the resources available. The System needs to establish some kind of framework to deal with these issues. Commissioner Krause suggested a Task Force

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be established to study these issues with a membership including members of the health care community, representatives of the nursing programs in the state including the private schools, members of the legislature, the Board of Nursing, Regents, and those people involved in enrolling students in the program.

Commissioner Krause referenced an audit of nursing programs in the state conducted some time ago, noting the Audit Committee has requested a follow-up report at its meeting on March 29. Commissioner Krause asked Board concurrence with establishment of such a task force. The purposes and objectives need to be clearly established before membership is determined, and those could be brought to the Board at its May 1988 meeting.

Chairman Lind agreed on behalf of the Board that the nursing issue needs to be addressed, and a report prepared before the next legislative session if possible. Commissioner's staff was directed to establish a task force to study the nursing issue, specifically delineating its purpose and representation, for presentation to the Board at the May 1988 meeting.

Commissioner Krause requested the co-employment with five other states of legal counsel to assist Montana in its challenge to the federal government of the action removing the reserves from the student loan program. If the suit goes to trial, the cost may be \$20,000 - \$25,000, and authorization is requested to spend up to that amount if it is deemed necessary. Regent Hurwitz moved authorization

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of an amount not to exceed \$25,000 for retaining appropriate counsel for the reasons stated. The motion carried.

At the Commissioner's request, Chief Counsel Schramm reported that reenactment of Title IX by the federal government has no effect in Montana. Montana's Human Rights Act covers education and prohibits discrimination in giving educational services and Montana is in compliance with what was reenacted.

Commissioner Krause concluded his report with a discussion of agenda items for the Regents' spring workshop. Two important agenda items are institutional role and scope issues, and telecommunications. He requested each campus president to locate the reports submitted about eighteen months ago, update those, and use those as a basis for role and scope discussions. Probable dates for the workshop were established as May 26-27, 1988, with a location to be determined.

The Council of Presidents, Board of Public Education, Office of Public Instruction, and Faculty Association had no report.

Scotts Snellson, Vice Chair of the Montana Associated Students, reported on the resignation of Steve Howrey as Chair of MAS. Mr. Snellson will act as Chair through the May meeting, and until elections of new student government officers are completed.

Chairman Lind, on behalf of the Board, thanked President Norman and staff of Montana Tech for the gracious and warm hospitality extended to the

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Board, the Presidents, and staff during this on-campus meeting. He also extended the Board's appreciation to all of the Butte community for the support it has always given the higher education community.

Regular Agenda

Chief Counsel Schramm noted a new post-retirement contract has been signed by Dr. Kenneth Brett which contains a minor change from that before the Board. The new contract reads "one-third of the retiree's final compensation." Since the contract runs through 1996, which will be after the conversion to the semester system, the wording of the contract will have to be changed wherever it states "quarter" to read "term."

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

- Item 58-100-R0388, Staff; University of Montana
(As amended on the post-retirement contract of Dr. Kenneth Brett)
(Includes 2 post-retirement contracts)
- Item 58-200-R0388, Staff; Montana State University
- Item 58-201-R0388, Post-Retirement Contract; Jack Stonnell; Montana State University
- Item 58-202-R0388, Post-Retirement Contract; Ralph A. Olsen; Montana State University
- Item 58-203-R0388, Retirement of Margaret S. Barkley; Montana State University
- Item 58-300-R0388, Staff; Agricultural Experiment Station
- Item 58-400-R0388, Staff; Cooperative Extension Service
- Item 58-500-R0388, Staff; Montana College of Mineral Science and Technology
- Item 58-600-R0388, Staff; Western Montana College
- Item 58-601-R0388, Resolution concerning the retirement of KENNETH J. BANDELIER, Chair for Mathematics/Science Division, Professor of Biological Science; Western Montana College

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- Item 58-602-R0388, Resolution concerning the retirement of ETHEL A. HAWKINS, Coordinator of Basic Skills Program, Assistant Professor of English; Western Montana College
- Item 58-700-R0388, Staff; Eastern Montana College
(Includes one post-retirement contract)
- Item 58-900-R0388, Staff; Office of Commissioner of Higher Education (WITH ADDENDUM)

Commissioner Krause introduced Cindy Stergar, a resident of Anaconda, who has accepted the position of Human Resource Development Officer on the Commissioner's staff

The meeting adjourned at 12:30 p.m.. Student representatives hosted the Regents at a luncheon, followed at 1:30 by an open forum for Regents, students, faculty, and interested persons.

The next regularly scheduled meeting of the Board of Regents will be held on May 5-6, 1988, on the campus of Northern Montana College in Havre, Montana.

APPROVED:

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

ATTEST:

Secretary

1338w