

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

DATE: November 2-3, 1989

LOCATION: Rooms 275-276
Strand Union Building
Montana State University
Bozeman, Montana

**REGENTS
PRESENT:** Lind, Redlin, Mathers, McCarthy, Topel,
Clouse, Kaze
Commissioner of Higher Education Carrol
Krause

**REGENTS
ABSENT:** None

**PRESIDENTS
PRESENT:** Koch, Carpenter, Kerins, Norman, Tiets,
Provost Easton

**PRESIDENTS
ABSENT:** None

Minutes of Thursday, November 1, 1989

Planning Committee

Commissioner Krause reported on the fund raising efforts to obtain funding for the Education Commission for the 90's. Negotiations have been held with Intertec, a local Helena firm, to determine if a satisfactory agreement could be reached to have Intertec conduct the fund raising effort. They are willing to perform that service for a percentage of the funds raised plus expenses. Dr. Krause explained it would be extremely important to have professional assistance in the fundraising effort, and if the decision is not to retain Intertec, he would appreciate names of other persons or firms he could contact to perform the work.

November 2-3, 1989

After discussion, Commissioner Krause was instructed to continue negotiations with Intertec to perform the fundraising. Those negotiations should include placing a cap on expenses.

Commissioner Krause reported briefly on the six responses received to the RFP's to provide staffing to the Commission. Intertec has also responded to the RFP to provide staffing for the Commission.

Next Commissioner Krause presented an overview of the presentations he and Jack Noble made to the Commission at its last meeting, and reported on efforts under way to locate office space for the Commission.

President Tietz reported on his efforts to implement a 900 number to provide citizen input to the Commission, and assist in fundraising for the Commission's work. Preliminary conversations have been held with US West and some newspapers. The total one-time costs would probably be around \$4,000 to establish the two centers in Billings and Great Falls. Monthly line charges would be approximately \$220 per month; the per call costs would be 15 cents for the first minute, 5 cents for each additional minute. The proposal is feasible.

President Tietz was instructed to pursue the 900 number proposal, keeping the Education Commission and the System informed.

The Planning Committee discussed the System's need to try to set a meeting with the Governor on future facilities needs and the possibility of providing funds to meet those needs through the issuance of college savings bonds. Commissioner Krause was

November 2-3, 1989

instructed to schedule an early January 1990 meeting with the Governor and members of the Planning Committee. Staff was instructed to bring the charts up to date showing the revenue flow of the state and the state's ability to participate in such a program used in previous presentations on the college savings bond proposal. The information on the System's deferred maintenance needs and the proposal to meet those needs using coal tax revenue should also be available for that meeting. Those should be brought to the December meeting of the Planning Committee.

Those areas which need to be emphasized in the Regents' budget request were briefly discussed, as was the on-going University System Funding study.

The Planning Committee meeting adjourned at 11:40 a.m.

Board of Regents Meeting: Thursday, November 2, 1989

Chairman Mathers called the regular meeting of the Board of Regents to order at 1:30 p.m. Roll call was taken and it was determined a quorum was present.

Chairman Mathers called for additions or corrections to the minutes of the previous meeting. The following corrections were made:

On page 12, the last paragraph should be revised to read: "Mr. Osborn came to Montana from Wyoming in early 1988. Delete "At that time" and insert" Subsequent to his enrollment, . . ."

On page 26, line 8, should read: "President Flower, President of Miles Community College. . ."

On page 33, line 7, delete "differently" and insert "the same".

With the above corrections, the minutes of the September 14-15, 1989 meeting were approved.

November 2-3, 1989

Presidential Searches

Commissioner Krause noted that with Dr. Koch's pending departure as President of the University of Montana, and the vacant presidency position at Northern Montana College, direction is needed from the Board on its desire to proceed with searches to fill those positions, or to defer action. The Board should also consider whether a presidential search consulting firm should be utilized in either search, if its direction is to proceed. Copies of solicitations from two presidential search firms were distributed to the Board.

Existing Regents policy on presidential searches was discussed. Brief discussion was held on the membership and procedures used by makeup of search and screening committees in the last several searches.

The Board's previous decision not to begin a search to fill the presidency at NMC was discussed. The question rising was whether the reasons for that decision should be considered in deciding to begin or defer a search at the University of Montana. It was suggested that the issues are not the same; there will be no change in the mission of UM, and therefore the search for a president of that institution should probably begin immediately. There will not necessarily be a change in NMC's mission and scope, but the Education Commission of the 90's final report may make recommendations for that institution that would call for change, and thereby impact the position of president of that unit.

Regent Kaze spoke to the research he had conducted to try to find any direction to the Education

November 2-3, 1989

Commission for the 90's that its charge was to research what should be done to Northern Montana College. He believed delaying the search for a president of NMC would send a message to the Commission that is inappropriate not only to NMC but to higher education in general. The Regents are in charge of the University System and will be required to make decisions affecting higher education during and after the Commission's work.

Interim President Frank Kerins, NMC, stated it would be in the best interests of the students and all of NMC to proceed with a search. Among the reasons for that statement is the fact that the College is inevitably unstable as long as search is suspended. Institutional health needs the sense of permanence and morale suffers with uncertainty. The College cannot move ahead fully on crucial kinds of initiatives without plans for a president who will see things through to fruition such as enrollment management, vo-tech affiliation, upgrading academic quality, and projecting the College's image to its various publics. Recruitment is harmed, not so much by an interim presidency if a search is underway, but by a deferred search and questions of whether there will be a search. NMC's role and scope statement was approved by the Board at its recent workshop in Bigfork with a few minor adjustments; that statement requires a president for its execution. He reminded the Board there was no actual motion passed to defer the search at NMC; it was merely a conversation and enacting a different decision would not require the formality of a motion to reconsider. Basically the only reason for deferring search is the assumption or possibility that some major structural change will make

November 2-3, 1989

a president at Northern unnecessary. But deferral of search prejudices that issue without analysis, and sends a biased message to the Education Commission and to the public in general. A search not begun is eliminated; a search started can at any time be cancelled, extended, or redefined.

Regents discussed whether it was fair to begin a search for a president of an institution, when a major structural change of the System might result in the position becoming that of provost, and would the same pool of candidates apply faced with such uncertainty. Predicting the pool of applicants for any position in Montana could be difficult in light of Montana's economic climate. Qualifications of suitable candidates were also discussed, as was the actual amount of time involved if a search at Northern was deferred until the Commission completes its work. If some of the Commission's action require legislative action, the deferral could be for as much as a two-year period. The time frame of academic searches was discussed; a search normally requires approximately nine months to completion, and the best time to begin such a process because of contractual agreements is now if there is expectation the successful candidate will assume the new position in late summer.

Regent Clouse spoke to both student and faculty concern at NMC over the possibility of not having committed leadership for such an extended period.

After further discussion, Regent Lind moved that the presidential search process be started at both the University of Montana and Northern Montana College forthwith. The motion carried with Regent McCarthy voting no.

November 2-3, 1989

Commissioner Krause will solicit names from each of the campuses for representatives of the constituent groups to serve on the search committees in accordance with present Regents policy, and report back to the Board at the December 1989 meeting. Commissioner Krause requested the Chairman appoint the Regent members to the two search committees as quickly as possible.

The proposals from outside consultant search firms were reviewed and evaluated as to services provided, and cost.

Regent Redlin moved the selection of the two presidents proceed under current Regents policy, and that an outside consultant firm not be retained. The motion carried.

Commissioner Krause also urged the Board to consider the salary levels it will authorize for the two open presidencies, and the position of Commissioner. He distributed copies of the summary page from the 1988 Compensation, Benefits and Conditions of Employment for College and University Chief Executive Officers survey sponsored by the American Council on Education, AGB, and College and University Personnel Association. While that decision does not have to be made at this meeting, the Board should be well aware of what the competition is for candidates for these positions. The salary level should be known to candidates applying because it will have an impact on the pool.

Commissioner Krause noted the figures quoted in the report are actual salary dollars, and do not include perquisites. Other states have resorted to supplementing chief executive officer's salaries through their foundations; Regents policy in place prohibits that in Montana, and the Board may wish to review that policy.

November 2-3, 1989

At the conclusion of the discussion, the Budget Committee was asked to assume responsibility to research the salary issue and bring a report, including recommended salary ranges for the three positions, to the December 1989 meeting. A review of present Regents policy prohibiting salary supplements should be included in that report.

Commissioner Search Process

Commissioner Krause reviewed the search process utilized in the past. A screening committee consisting of three Regents, one faculty member, a representative from the Council of Presidents, and one senior CHE staff member screens applicants and sets the interview schedule. There will be opportunity for input from students. The full Board of Regents constitutes the Search Committee and participates in the interviews. Dr. Krause suggested a representative from the vocational-technical centers also sit on the screening committee. Names of faculty representatives have been solicited from all the campuses.

The process outlined above was concurred in by the Board. Dr. Krause reported he has requested names of faculty representatives to serve on the Commissioner Search Committee from each of the campuses.

Report by Regent McCarthy on Technology Conference

Regent McCarthy reported on the conference on changing technology sponsored by the University of New York and the state of New York Education Department which she recently attended. The theme of the conference was "Preparing Tomorrow's Work Force". The focus of the conference was what schools were doing to move in that direction. Regent McCarthy reported, among

November 2-3, 1989

other things, on the "Regents Diploma" mandated in 1988 by the New York Board of Regents. A high school student who receives a Regents diploma is prepared to immediately enter the work force as a properly trained employee or for successful entrance into postsecondary education. The mandate was issued in response to demands of businesses in the state who felt they were investing too much money in retraining and re-education of new employees. The businesses make major contributions to the school system in New York in the form of direct grants, equipment, and other monies. In return the state is seeking better and new ways to deliver meaningful education, using the computer as the basic tool.

Regent McCarthy reported on other aspects of the conference, concluding that it was inspiring to see what can occur when such a marriage occurs between business and education. It was an illuminating experience and a worthwhile exchange of information.

By-Laws and Policy Committee

Submission Agenda

Commissioner Krause reviewed Item 18-006-R1077, High School Honor Scholarships: Montana University System. The revision addresses the problem of students in Montana who attend home or private schools. They then enroll in an accredited high school at the beginning of their senior year. Typically, but not always of course, these students will have a high grade point average coming into their senior year which means effectively they make a major difference in who is eligible for the Regents High School Honor Scholarship. The original intent of the Regents in establishing the

November 2-3, 1989

High School Honor Scholarships was to reward those students who earned their scholastic credentials in accredited schools. The revision adds to Regents policy the requirement that a student must have been enrolled in an accredited high school for at least three years prior to graduation to be eligible for the honor scholarship.

Regent Redlin agreed the problem the revision addresses exists, but, assuming home school students would have to meet the requirements of the College Preparatory Program, she questioned if it is an infringement to require students to attend three years at a state school until the legislature or some other authoritarian source requires such attendance. She asked the policy revision be thoroughly scrutinized with these issues in mind prior to action.

Item 18-006-R1077 (Revised) was received for consideration at the December 1989 meeting. Staff was instructed to clarify the issues raised in today's discussion prior to action on the revision. Regent Redlin asked specifically that the differentiation between home schools and private schools be addressed.

The item on the Action Agenda of the Policy Committee was deferred and will be acted on later in the meeting.

Budget Committee

Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, introduced Ms. Vickie Steitler, CPA, recently hired Financial Assistant working with fiscal staff in the Commissioner's office.

Mr. Noble presented and reviewed the following three items on the Budget Committee Agenda:

November 2-3, 1989

Item 65-901-R1189,	<u>Budget Amendment: Education Commission for the 90's: Office of Commissioner of Higher Education</u>
Item 65-902-R1189,	<u>Budget Amendment: Educational Talent Search: Office of Commissioner of Higher Education</u>
Item 65-6001-R1189,	<u>Budget Amendment: Fire Services Training School</u>

Mr. Noble explained appropriate certifications are contained in each of the items. The budget amendments will be presented to the Legislative Finance Committee for approval at its next meeting. He recommended the three items be approved.

On motion of Regent Kaze, Item 65-901-R1189, Item 65-902-R1189, and Item 65-6001-R1189 were approved.

Chairman Mathers stated in his review of the budget amendment procedure he noted notification is given to the Legislative Fiscal Analyst. He suggested notification be made instead through the Chairman of the Legislative Finance Committee, with a copy to the LFA. The LFA is an employee of the Finance Committee, and he believed appropriate procedure would be to provide notification first to that body.

Report on Negative Cash

Mr. Noble referenced his memorandum to the Legislative Fiscal Analyst dated September 8, 1989 (on file) pertaining to House Bill 44 reporting requirements. The report submitted to the LFA contains two sections which summarize interentity loans authorized for two consecutive yearends and accounting entities which have had negative cash balances for two

November 2-3, 1989

consecutive yearends. Individual campus' responses providing reasons for the negative balances and their proposed solutions are appended.

Mr. Noble reviewed the information contained in the report, noting that HB 44 requires only that entities with negative cash balances be reported. Staff believes that to properly analyze the solvency of an account fund balances also need to be reviewed. Those are included in the report. Mr. Noble noted his memorandum to the LFA includes the information that the the Board of Regents has received several reports concerning negative fund balances within University System accounts, is concerned about the problem, and now includes this item as part of each president's annual evaluation.

Mr. Noble reviewed also those negative accounts at the University of Montana which have been eliminated through one-time transfer of other lawful purpose bond reserve monies. Montana State University reduced its historical women's athletics account down from \$216,000 to \$97,000 through transfer of state appropriated funds at year end. Intercollegiate athletics is partially state supported and this is not deemed an improper source to eliminate a negative account.

Mr. Noble mentioned the report issued through the Commissioner's office which entered the public arena recently. He reiterated his belief that nothing illegal has occurred regarding these accounts, nor do they reflect mismanagement. It is an accounting report that reflects conditions caused by several differing circumstances. The System has no problem with legislative audits.

November 2-3, 1989

Responding to Regents' questions, Mr. Noble explained the difference between negative cash and negative fund balances. Comparing this to an individual's bank account, that can be in a poor cash position, but the individual may have other assets available that would give a net equity position. Cash alone does not determine the financial position or the solvency of these entities or any individual's personal net worth. While an entity may be negative, cash is available to pay the bill which is how the entity becomes negative.

Mr. Noble will report to the Board after the meeting with the Legislative Finance Committee.

President Tietz commended Mr. Noble for his comments. He explained in the area of contracts and grants where there are continual cross reimbursable programs, the institution has the total assets of the account, plus reimbursables or payables as is the way of any business. These accounts have repeatedly passed audits based on the institution's procedures and the fund balances. H.B. 44 presents the System with a difficult problem because it requires answering to the legislature on cash balances, and trying to answer to the auditor on fund balances. A total agency account may be positive or balanced; any one fund within it may for a moment have a difficult cash situation. Complying with these reports is increasingly expensive and oppressive when they are required in such depth, particularly with the on-going cuts in administrative and support positions whose time is consumed preparing responses.

President Koch made two observations. First,

November 2-3, 1989

looking at the University of Montana's restricted funds, the larger the negatives are in the cash balances, the more successful UM has been in attracting research grants. The money is not reimbursed by the federal government until expenses are incurred; those negatives are a success. Second, under designated funds, while negative fund balances were eliminated UM has neither more nor less money than before. It is simply in different accounts because that is what the law requires.

Chairman Mathers stated the record should clearly reflect the System's successful record of audits performed by the Legislative Auditor, whose duty it is to audit these accounts. While the other legislative arm has the right to look into the matter, reliance should be placed on those whose obligation is to issue professional opinions.

Student and Employee Appeals

Chief Counsel Schramm informed the Board that the employee appeal on the agenda has been withdrawn at the request of the employee.

Student Appeal

Dr. Schramm noted no material was sent to the Board on the student appeal because it is a revisiting of the appeal of David Stenerson heard in the September 1989 meeting. Mr. Stenerson was notified that counsel for the System would request the Board to reconsider a portion of its decision at this meeting. Mr. Stenerson was not present.

Dr. Schramm reviewed Mr. Stenerson's appeal. Mr. Stenerson, a combat veteran of the United States armed forces, was a law student at the University of Montana for academic years 1987-88-89. Because he had

November 2-3, 1989

exhausted his GI educational benefits he would have been eligible in all three of those years for the veterans fee waiver in Regents Policy 940.13. However, he did not inform the school of his eligibility until January 3, 1989. He claimed he was entitled to waiver for the prior 2-1/2 years of school. The University granted him waiver back to the start of the 1988-89 academic year, but denied it for the preceding two years. Mr. Stenerson raises a second issue. He objects that the veterans fee waiver does not apply to some mandatory fees, claiming this is a violation of the statutory requirement that all fees be waived for eligible veterans. This claim is asserted under the statute in effect until the end of the 1989 Legislative Session. That statute has been changed, and the Board of Regents authority to waive fees has been clarified.

At its September 1989 meeting, the Regents upheld the Commissioner's decision denying the appeal.

Mr. Stenerson has indicated he will bring suit against the Board on this issue. Dr. Schramm stated he did not believe it is in the best interests of the Board to litigate over whether the Board did or did not have authority to refuse to waive certain fees prior to the legislative change made in 1989. Dr. Schramm stated waiver of the fees for the first two years of law school would evolve around whether Mr. Stenerson was entitled to waiver even though he did not apply in a timely fashion. Waiver of the third year's fees would be strictly a constitutional issue of Regents' powers. In the interest of not litigating moot points, Dr. Schramm recommended the Board grant Mr. Stenerson's appeal for waiver of the fees requested for the third year of his matriculation in the law school. The cost is approximately \$1,000.

November 2-3, 1989

Regents questioned whether this would be an inequitable action on behalf of one student and against other students eligible for the same waiver that did not contest the interpretation. Dr. Schramm reviewed court actions which have provided relief to a specific appellant, but have refused to make it available to persons who failed to appeal.

Chairman Mathers then stated the question now arises whether the Board should reconsider its action denying Mr. Stenerson's appeal with regard to waiver of his third year's mandatory fees.

Regent McCarthy moved on recommendation of counsel that the Board reconsider the part of its action of September 14, 1989 which upheld the Commissioner's decision to deny that "other" mandatory fees for the 1988-89 academic year should be allowed as part of the veterans fee waiver granted Mr. Stenerson. Mr. Stenerson will be reimbursed the full amount for those fees paid under the category of "other" mandatory fees for the 1988-89 academic year. The motion carried with Regents Kaze voting no.

By-Laws and Policy Committee (continued)

Action Agenda

Dr. Schramm presented Item 65-101-R0989, Policy for Accession and Deaccession of Objects for Permanent Art Collection; University of Montana. He explained the policy is proposed to differentiate between funds realized from sale of objects from the University of Montana's permanent art collection to be used to develop, maintain or improve the collection from those funds realized under a previous item (56-103-R0787) regarding conversion of dormant assets,

November 2-3, 1989

which will be utilized to provide academic scholarships. The item in essence allows the University of Montana to segregate property of the art department from the general dormant asset policy.

Responding to a request from the Regents made when the item was placed on the submission agenda, Commissioner Krause noted for the record no other unit has expressed interest in expanding this item into a system policy.

Regent Topel asked if there is a provision for reporting items disposed of or disposition of cash realized. President Koch responded there was not. All funds will go into a fund that supports the permanent art collection. However, an adequate record of the conditions and circumstances under which objects are deaccessioned and disposed of shall be made and retained as part of the University's Collection records.

On motion of Regent Redlin, the item was approved.

The Board of Regents recessed at 3:55 p.m. to reconvene immediately in executive session.

Minutes of Friday, November 3, 1989

Chairman Mathers called the meeting to order at 9:30 a.m. in the same location. Regent members were all present; Vice President Ron Sexton attended representing President Carpenter, EMC. Vice President Brown represented President Kerins, NMC.

Recommendations of Ad Hoc Committee on College Preparatory Program

Dr. John Hutchinson, Deputy Commissioner for Academic Affairs, distributed copies of a memorandum to the Board dated November 2, 1989 (on file) which

November 2-3, 1989

contained the recommendations of the ad hoc committee on college prep. The ad hoc committee met at the direction of the Board to develop a transition plan for full implementation of the College Preparatory Program. Two fundamental issues were deliberated: (1) admission of in-state students to the Montana University System who have not completed Montana's college prep program and (2) admission of out-of-state students who graduate from high schools in states not requiring a similar college prep curriculum.

The ad hoc committee recommends that each of the six units be granted discretionary exemptions for in-state applicants who have not completed the college prep program not to exceed 15 percent of the enrollment of first-time, full-time freshmen, available for fall 1990 applicants. The discretionary exemption would decrease to 10 percent for fall 1991, and 5 percent for fall 1992. Institutions would be obligated to provide annual reports on numbers of students enrolled as exemptions and their academic progress in comparison to students regularly admitted. At the end of the three-year period of exemptions, the Commissioner's office will report to the Board of Regents those data with appropriate analysis and interpretation and make recommendations regarding continuation, discontinuation or modification of the discretionary exemption program.

For out-of-state students who cannot meet Montana's requirements because their native states do not have a statewide college prep curriculum; have several different college preparatory curricula; or have a prescribed curriculum that is dissimilar to Montana's, the ad hoc committee recommends these students be

November 2-3, 1989

required to meet any two of the following three criteria: (1) composite ACT score of 20 or composite SAT score of 800; (2) at least a 2.5 high school gpa; (3) class standing in the upper half of the graduating class. Tracking and reporting of out-of-state students so enrolled would be required as with in-state students, and a report to the Board at the end of the three year period regarding continuation, discontinuation or modification would also be made.

Regents discussed the recommendations, underlining the importance of the need to track these students.

Regent McCarthy moved the transition plan as recommended by the ad hoc committee be approved. The motion carried unanimously.

Curriculum Committee

Submission Agenda

Item 65-501-R1089, M.S. in Environmental Engineering; Montana College of Mineral Science and Technology was received for consideration at the January 1990 meeting.

Action Agenda

Item 65-103-R0889, Authorization to Reorganize the School of Education into Two Departments, the Department of Professional Education and the Department of Health and Physical Education; University of Montana, was presented by Dr. Hutchinson. He explained UM has asked to reorganize the School of Education so that the current four departments are reduced to two departments. This administrative reorganization is the product of the UM retrenchment plan and reflects the discontinuation of Home Economics

November 2-3, 1989

as a baccalaureate program. The reorganization permits certain economies, and allows the institution to focus the organization of the school more clearly on primary programs. Dr. Hutchinson recommended the item be approved.

After discussion, on motion of Regent Kaze, Item 65-103-R0889 was approved.

Joint Meeting: Vocational-Technical Committee - Curriculum Committee
Submission Agenda

Item 65-001-R1189, Merger, Montana University System: Montana Vocational-Technical System was reviewed by Deputy Commissioner Vardemann. She explained the item on the Submission Agenda is brought forward at the request of the Board to provide a policy which would outline affiliation or affiliated merger between units of the University System and/or units of the vocational-technical system. The policy was presented to the Board in draft form at its fall workshop, and this proposal implements the directions of the Board given at that workshop. The affiliation language has been deleted from this proposal, and will be placed in a separate policy. The policy before the Board speaks only to cooperative agreements and/or consolidations/mergers as might be feasible between the vo-tech centers and/or appropriate university units.

Regents requested any comments on the policy made by presidents or any other interested persons be compiled by Commissioner's staff and submitted to the Regents prior to the item being placed on the action agenda. Comments should be received by Commissioner's staff no later than December 1, 1989, and forwarded to

November 2-3, 1989

the Regents prior to the December 14-15, 1989 meeting. Staff was also directed to address Regent Lind's concerns with the definition of "merger" on page 1 of the policy regarding the merged institution ceasing to have an independent existence.

Capital Construction Committee

After appropriate review and discussion, the following actions were taken on items on the Capital Construction Committee Agenda:

On motion of Regent Kaze, Item 65-101-R1189, Install Smoke Detection Devices, Residence Halls; University of Montana, was approved. In discussion of the item, Regent Redlin's questions regarding generation of auxiliary fund monies were responded to by Presidents Koch and Tietz.

On motion of Regent Clouse, Item 65-202-R1189, Replacement of Hapner Hall Roof; Montana State University was approved.

On motion of Regent McCarthy, Item 65-203-R1189, Authorization to improve Air Conditioning System at Swingle Health Service and to engage an Engineer for the Project; Montana State University was approved.

Collective Bargaining Committee

Sue Romney, Director of Personnel and Labor Relations, presented the Tentative Agreement between the Montana University System and the International Union of Operating Engineers. The changes were included with the Regents' agenda material. Ms. Romney recommended ratification and approval. On motion of Regent Kaze, the agreement was ratified and approved.

November 2-3, 1989

Old Business

Report on Great Falls Vocational-Technical Center and
Billings Vocational-Technical Center Land Transfers

Chief Counsel Schramm reported agreement has been reached on transfer of the Billings Vocational-Technical Center land site. The property will be surveyed, and a document completing the transfer will probably be brought to the Board for approval at the December 1989 meeting which will include the terms and conditions of transfer.

Dr. Schramm reported no progress has been made in the transfer negotiations of the Great Falls Vocational- Technical Center. At issue is the restrictive covenant which was part of the original transfer of the land to the Great Falls Center from the College of Great Falls. CGF interprets that covenant not to allow any courses to be offered at the vo-tech center for which college credit may subsequently be granted. That interpretation is unacceptable to the University System among other reasons because it would preclude offering courses at the vo-tech center which would lead to the AAS degree. Negotiations have been on-going, but are presently at stalemate.

Commissioner Krause elaborated on conversations that have been held regarding the transfer and alternatives being explored. The problem is not with the Great Falls School District, and they have not been involved in the negotiations. If the restrictive covenant issue cannot be resolved, Dr. Krause stated the transfer can not occur because it would effectively tie the state's hands on what offerings can be made in Great Falls at that facility. The issue is divisive, and needs to be resolved.

November 2-3, 1989

Discussion was held on the transferability of the AAS degree. President Koch noted to date the College of Great Falls has not objected to the graduate level courses UM is offering in Great Falls. It was agreed the problem arises over offering of undergraduate courses.

Director Will Weaver reported the Great Falls Center is not offering any courses it has not offered in the past. Some of those courses are transferable.

Last, Dr. Schramm reviewed "Agreement To Buy and Sell Real Estate" (on file), the agreement between the Butte School District and the Board of Regents transferring the Butte Vocational-Technical Center property to the Board of Regents. Dr. Schramm reviewed the terms of the agreement, highlighting that, as with the other such transfers, while the Regents agree to forward the listed dollar amounts for bond payments, no obligation is assumed by the Regents for making the bond payments.

The section at the bottom of page three regarding reconveyance of the property was noted by Dr. Schramm. The Regents will have to assure that the legislature appropriates the money for the bond payments until the payment schedule is retired. By its past actions, that would appear to be the intent of the legislature also.

At the conclusion of review of the agreement, Deputy Commissioner Noble noted an error in the schedule of bond payments contained in the agreement. Staff was instructed to review and correct the schedule, and report back to the Board at the December meeting if the error is significant.

November 2-3, 1989

Regent Topel questioned whether the personal property at the Butte facility was also being purchased. Dr. Schramm responded that transfer occurs within the Warranty Deed attached as page 6 of the agreement to purchase real estate. Questions on the sole remedy in the event of default were also responded to by Dr. Schramm. That language was not as clear as Regents preferred.

Hearing no further discussion, Regent Lind moved the Chairman be authorized to sign the agreement on behalf of the Board with the understanding the bond payment schedule would be reviewed and corrected if necessary, and the sole remedy language would be clarified to meet Regents' concerns. The motion carried.

Commissioner's Report

Commissioner Krause reported the following committee assignments have been made by the Chairman:

STANDING COMMITTEES

BUDGET COMMITTEE

Dennis Lind, Chair
Regent Bea McCarthy
Regent William Mathers

COLLECTIVE BARGAINING COMMITTEE

Regent Bea McCarthy, Chair
Regent James Kaze
Regent Dennis Lind

CAPITAL CONSTRUCTION COMMITTEE

Regent William Mathers, Chair
Regent Vickie Clouse
Regent James Kaze

BY-LAWS AND POLICY COMMITTEE

Regent Elsie Redlin, Chair
Regent Vickie Clouse
Regent Tom Topel

November 2-3, 1989

CURRICULUM COMMITTEE

Regent Bea McCarthy, Chair
Regent Elsie Redlin
Regent James Kaze

VOCATIONAL-TECHNICAL EDUCATION COMMITTEE

Regent James Kaze, Chair
Regent Bea McCarthy
Regent Tom Topel

SPECIAL COMMITTEES

FUNDING STUDY

Regent Dennis Lind, Chair
Regent Elsie Redlin
Regent Tom Topel

TELECOMMUNICATIONS COMMITTEE

Regent Elsie Redlin, Chair
Regent Vickie Clouse
Regent William Mathers

PLANNING COMMITTEE

Commissioner Krause, Chair
Regent Members
Regent Lind
Regent Mathers
Presidential Members
President Koch
President Tietz
President Carpenter
Staff Members
Dr. John Hutchinson
Jack Noble

Chairman Mathers noted those assignments will be reviewed after the first of the year. Regents will have an opportunity at that time to express an interest in particular committees on which they would like to serve.

November 2-3, 1989

Native American Issues Task Force

Dr. Krause referenced discussions at the fall workshop regarding problems faced by Native American students enrolled in units of the University System. It was proposed a task force be created in an attempt to address those issues. He asked three Regent members be appointed, with the remaining members to be appointed by the Commissioner. The following membership of the Native American Issues Task Force was recommended and approved:

Regent Members

Regent Redlin

Regent Kaze

Regent McCarthy

Presidential Members

President Tietz

President Carpenter

President Kerins

Vice Presidential/Provost Members

Provost Habbe

Provost Easton

Vice President Toppen

The task force will schedule its first meeting within the next month.

Next Commissioner Krause reported on possibilities and options to affiliate the Fire Services Training School with other academic units in the System. A Request for Proposal has been sent to all units and the vo-tech centers to solicit proposals for siting the FSTS. When the school was accepted by the Board of Regents it was understood it would not remain free standing, but would be consolidated with another

November 2-3, 1989

administrative unit to strengthen its offerings through shared resources. The present location at the Great Falls Vocational-Technical Center provides only space at this time. The Fire Services Advisory Council has been informed of the RFP solicitation and is in full concurrence with the process. A report will be brought to the Board after the RFP's are analyzed.

Council of Presidents

President Donald Kettner, Dawson Community College, commented on the horrendous error in the minutes of the September 1989 meeting wherein Judson Flower was incorrectly listed as President of Dawson Community College. President Kettner stated emphatically that he would make every effort not to be absent from another meeting where President Flower is scheduled to make a joint report on behalf of Miles and Dawson Community Colleges, and the record should reflect that he enjoyed making these statements in President Flower's absence.

President Tietz welcomed the Board of Regents to Montana State University's campus for this meeting. He took the opportunity to comment on various activities and happenings on the campus.

President Tietz commented on the unit determination held recently at MSU, stating he believed the vote to reject could be considered as a statement relative to the way the faculty wishes to solve its problems. He did not view the vote as indicating there are no problems at MSU. He did however believe it made the statement that the collective bargaining process is not the appropriate way to solve those problems. MSU administration will be meeting with the Faculty Council

November 2-3, 1989

to enhance the input of all elements of the institution relative to the decision making process.

President Tietz also reported on the application for the Engineering Research Center still pending before the National Science Foundation; the excellent site visit conducted with regard to the MONTS Program (Montanan's On A New Track For Science) which could result in securing an approximate \$3 million program involving four units of the System over three years; the \$250,000 planning grant Representative Pat Williams announced is in the current appropriations bill for additions to the plant science building to enhance Montana State University's facility involved in insect and weed biocontrol; and funding received for the Science Teaching Institute, a regional outreach project for math and science teachers centered at MSU and headed by Professor Jerry Wheeler.

President Tietz paid special homage to Acting Vice President for Academic Affairs at MSU, Michael Malone. Dr. Malone will be the recipient next week of the Humanist of the Year Award from the Montana Committee for the Humanities, and has also authored a book which has been nominated by its publisher for the Pulitzer Prize. Dr. Malone is a truly able administrator who maintains a remarkable record of scholarly achievement as adjunct to his administrative responsibilities.

Dr. Tietz enumerated the variety of outreach activities conducted by MSU, including the Ag Experiment Station, Cooperative Extension Service, Community Design, KU FM, the new KU uplink -- more than one hundred different programs reaching out from MSU's campus. A

November 2-3, 1989

committee chaired by Ken Weaver, Professor of Political Science and Director of the Institute for Local Government, will look at MSU's activities throughout the state and region to determine how best the resources can be mobilized to serve the people of the state. MSU is interested in doing what is best to provide this outreach, conserving its resources and reaching the maximum number of people in the state.

Concluding, Dr. Tietz thanked staff in his office for their outstanding performance in handling all arrangements for this meeting and the many ancillary functions occurring at MSU this week and weekend. He expressed his appreciation particularly to Marlene Mazaranich, Dorothy Jorgenson and Doris Davis for providing liaison for the Board and for all activities associated with the Bobcat/Grizzly weekend. Special thanks were also extended to the "chief quarterback" for arrangements for this weekend, Marilyn Wessel.

President Koch echoed the statements of President Tietz regarding arrangements made for participants in the meeting and other activities, noting particularly the reception held at the Museum of the Rockies. The museum is a tremendous addition to the campus.

Chairman Mathers enthusiastically agreed with those comments, stating the evening at the Museum of the Rockies was outstanding and the building extremely impressive. He stated the museum is a benefit not only to MSU but to the entire state of Montana and he wished particularly that members of the Legislative Assembly would take the opportunity to visit the museum. On behalf of the Regents, he wholeheartedly endorsed

November 2-3, 1989

President Tietz' statements of appreciation to his staff for their superior efforts.

President Tietz also commended the efforts of Judy Weaver on behalf of the Museum of the Rockies. The museum has had approximately 140,000 visitors since April 1, 1989. The previous high for a full year was 87,000. The museum is indeed an asset to the state.

Vocational-Technical Center Directors

Dr. Erie Johnson, Billings Vo-Tech Center Director, reported on the organization of the Council of Directors which will hold monthly meetings to address issues affecting the vo-techs. Sub-groups have been formed on all vo-tech campuses to address areas of mutual concern and support.

Each of the five centers were visited by the Northwest Accrediting Association in October. The recommendations and outcomes of those visits were reviewed yesterday and it appears they are more positive than negative and accreditation is expected to remain intact at the centers. Funding problems exist on the vo-tech campuses which are similar to those at units of the University System, but it is believed most concerns of the accrediting association can be met.

Dr. Johnson reported on continuing efforts to develop articulation agreements being conducted on the various campuses, and urged Regents' support of the centers during the process being conducted by the Education Commission of the 90's. He stated the centers would welcome an opportunity to meet with the Commission in a manner similar to that planned for units of the University System to provide input from the centers' perspective, and in the hope of avoiding negative media

November 2-3, 1989

coverage which appeared recently which can only harm the centers' efforts to contribute to the higher education experience of the citizens of Montana.

Dr. Johnson concluded by reporting that Dennis Lerum, Director of the Missoula Vo-Tech Center, was the recipient of the Administrator of the Year Award at the recent meeting of the Montana Vocational Association held recently in Billings.

Dr. Alex Capdeville, Director of the Helena Vo-Tech Center reported on the excellent report that center received from the accrediting agency. The Helena Center should report full accreditation at the December 1989 meeting of the Board.

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

Montana Associated Students

The Montana Associated Students representative spoke briefly to the importance of student involvement in all aspects of matters affecting their education.

Student Regent Vickie Clouse then stated there were students present enrolled in the architecture program at MSU who wished to discuss with the Board concerns they have relating to the super tuition imposed on that program.

Student Carrie Padgett spoke to the issue of super tuition. She questioned why architecture students are still paying a super tuition when it is not a high cost program, and imposition of the super tuition was intended to be a temporary solution when it was imposed.

Commissioner Krause responded by reviewing

November 2-3, 1989

the history of recisions and budget reductions, leading to the units being requested by the Regents to present plans on how adjustments would be made to continue to operate under the reduced funding levels. Programs that were relatively free standing were considered for elimination to meet budget shortfalls. The decision was ultimately made not to eliminate those programs, but to continue the offerings, a tuition surcharge was imposed on programs in architecture, pharmacy, physical therapy and law. The action was endorsed and supported by students in the programs at that time. Campuses are still faced with budget shortfalls and retrenchment. Under continuing budget restraints, the surcharge in those programs will probably remain for some time. When sufficient monies are provided by the legislature, it will be a priority of the Board to remove the surcharges.

In response to students' questions on the amount of the budget allocated to the architecture program, President Tietz reviewed actions taken in 1985-86 by MSU administration to add FTE and dollars to meet accreditation standards for the program. Those actions were negotiated with and agreed to by students in the program at that time. MSU administration agreed essentially to hold the appropriation to the School of Architecture constant at that level, which amounted to an approximate \$120-130,000 increase to the program's base budget. What has resulted is that the School of Architecture has resisted further reductions and has received an addition of personnel in the face of major adjustments on the campus. If students now say they will take away the dollars, those dollars will have to come from the architecture program. MSU was ready to

November 2-3, 1989

close the School of Architecture in 1985-86; it was kept open only in response to student demand and their willingness to help with the financial aspects.

Ms. Padgett then quoted a statement President Tietz had made to local press challenging MSU faculty to keep the campus atmosphere "friendly to students". She asked how a super tuition for architecture students and targeting of other programs helps create a friendly atmosphere for students.

President Tietz responded a variety of issues press the administration, and it has to do the best it can to meet fiscal requirements, which are not particularly friendly, and the personal requirements which are intended to be as responsive as possible. He elaborated further on both the administration's and the Regents' efforts to resist imposing fees on students. President Tietz stated he would very much like the campus to be responsive and user friendly, but it also has to be kept open and operating at a standard that is appropriate to the various professions, curricula and work objectives of the student body.

Regent Redlin stated in fairness it should be underlined President Tietz did not institute the tuition surcharge. The Regents did that. And it was not done with any pleasure. If there is any comfort, it must arise from the knowledge that if the tuition surcharge had not been imposed those here today would be out-of-state students paying about the same for their education, and perhaps slightly more.

Students again objected to the "budget being balanced on the backs of the students."

Commissioner Krause spoke to the on-going

November 2-3, 1989

nature of budget shortfalls throughout the System. Tuition surcharges are not intended to go on forever. The two universities in Montana are funded at approximately 70 percent of their peer institutions. Everyone in the System is committed to elevating that level of funding. If that effort is not successful, programs will be eliminated. Given the present budget cycle, tuition surcharges will probably continue through the next biennia at the least, but the Board is committed to getting adequate resources from the state to operate the System, and to keep tuitions at a relatively modest level.

Jim Peterson, a student in the School of Architecture, asked if payment of the tuition surcharge guaranteed continuance of the School of Architecture. Commissioner Krause responded that given Montana's present and projected future revenues, such a guarantee is not possible for any program. The Regents have no ability to raise money other than through tuition. The money has to be appropriated by the legislature.

Mr. Peterson expressed the students wish to work with the legislature and the Regents in the budgeting process. However, they believed their efforts to obtain budget information had been thwarted by MSU administrators who claimed the information sought was not public information. Mr. Peterson read the section of the Constitution relating to individual's rights to examine documents and observe deliberations of public bodies and agencies of state government. He stated only after resorting to "extraordinary measures" was some of the information has been obtained.

Another concern of students centered on their

November 2-3, 1989

inability to ascertain if the tuition surcharge did indeed go into the budget of the School of Architecture.

Vice President James Isch responded to charges made that his office had not cooperated with students requests for budget information. He stated he had many meetings with architecture students on this issue, as have other staff members in his office. One of the questions they have asked repeatedly, and asked again today, is whether the tuition surcharge dollars can be tracked to the architecture program. They can not be. Those dollars are no different than tuition, millage, or other revenue. A source of revenue cannot be tracked to a specific departmental account. The number of dollars collected through tuition surcharge can be tracked however. When the fund was originally set up it was agreed that \$120,000 would be collected from the tuition surcharge imposed on the architecture students. Less than \$90,000 is now being collected, but the allocation of \$120,000 to the program has not been changed.

Mr. Isch agreed his office was tardy in some of its responses. The ACLU request arrived in the summer when he was on leave; the document was responded to on his return and was checked with legal counsel to ascertain if the response was legally adequate.

Considerable other discussion ensued on individual student concerns. Commissioner Krause agreed the budget and tracking process may be difficult to understand. He assured students that budgeting information is public information and there is no intent to deprive students of their right to examine such information.

November 2-3, 1989

Students asked for continuing support and more publicity for the architecture program, pledging their support to lobby the legislature for the funds needed to keep the program in Montana. The School of Architecture has been in existence for over seventy-five years and its graduates bring nothing but pride to their campus. It is an important component of the University System in Montana.

Commissioner Krause explained the cycle for Regents' discussion of tuition surcharges will occur in the development of the budget over the summer months and into the fall. The budget request will be to enhance general fund revenue. Realistically, there probably will be no relief from the tuition surcharge before Fall 1991 at the earliest.

President Tietz proposed differing accounting methods under consideration to allow the tuition surcharge for the architecture program to be identified. It will not, however, change the bottom line in the final analysis. President Tietz will work with the students to provide the documentation they desire. The tuition surcharge is clearly identified in the catalog; the confusion seems to arise from the perception that it can not be specifically tracked.

Student concerns with the statement that the architecture program is a "stand alone" program were discussed, as was the process that determined on which programs a tuition surcharge would be imposed.

Regent Kaze applauded the students commitment to assist the Regents in the legislative process to obtain funding sufficient to allow elimination of such tuition surcharges.

November 2-3, 1989

Regent Redlin spoke again to her concern that the very real problems and concerns voiced today were somehow due to actions of President Tietz. That is simply not true. The reason architecture was targeted in the first place was certainly an administrative decision. But President Tietz and all other presidents in the System were directed by the Board to identify those areas where cuts could be made. It is important that all areas of the campus -- faculty, administration, and students -- coalesce because the System is not secure where funding is concerned. There must be no internal jousting within the System. The System has to prove to the legislature and the citizens of Montana that it must have adequate funding. The students willingness to cooperate is indeed appreciated.

Chairman Mathers thanked the students for their interest and for attending this meeting and presenting their concerns. He pledged the Regents' continued efforts to obtain a workable level of funding for all of higher education in Montana, and the removal of tuition surcharges as soon as it is economically feasible.

The Vocational-Technical Student Association had no report.

Chief Counsel Schramm introduced newly appointed legal counsel at Montana State University, Leslie Taylor, and welcomed her to the University System legal staff.

Regular Agenda

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

November 2-3, 1989

Item 65-100-R1189,	<u>Staff; University of Montana</u>
Item 65-200-R1189,	<u>Staff; Montana State University</u>
Item 65-201-R1189,	<u>Retirement of Professor J. McConnen; Montana State University</u>
Item 65-300-R1189,	<u>Staff; Agricultural Experiment Station</u>
Item 65-301-R1189,	<u>Retirement of Loren E. Wiesner, Plant & Soil Science Department; Agricultural Experiment Station</u>
Item 65-400-R1189,	<u>Staff; Cooperative Extension Service</u>
Item 65-500-R1189,	<u>Staff; Montana College of Mineral Science and Technology</u>
Item 65-600-R1189,	<u>Staff; Western Montana College of the University of Montana</u>
Item 65-700-R1189,	<u>Staff; Eastern Montana College (With Addendum)</u>
Item 65-800-R1189,	<u>Staff; Northern Montana College</u>
Item 65-900-R1189,	<u>Staff; Office of Commissioner of Higher Education</u>
Item 65-9000-R1189,	<u>Staff; Helena Vocational-Technical Center</u>
Item 65-9500-R1189,	<u>Staff; Missoula Vocational-Technical Center</u>

The meeting adjourned at 12:05 p.m.

The Regents attended a luncheon with students, followed at 1:30 p.m. by a campus tour.

At 3:00 p.m. the Regents held an open forum for faculty, students, staff and interested persons.

The next regularly scheduled meeting of the Board of Regents will be held on December 14-15, 1989 in Helena, Montana.