

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

DATE: August 3-4, 1989

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

REGENTS PRESENT: Lind, Hurwitz, Mathers, McCarthy, Redlin,
Clouse, Kaze
Commissioner of Higher Education Carrol
Krause
Superintendent of Public Instruction Nancy
Keenan, Ex Officio

REGENTS ABSENT: None

PRESIDENTS PRESENT: Koch, Carpenter, Kerins, Norman, Tietz,
Provost Easton

PRESIDENTS ABSENT: None

Minutes of Thursday, August 3, 1989

Chairman Lind called the regular meeting of the Board of Regents to order at 8:00 a.m. Roll call was taken and it was determined a quorum was present.

Evaluation of President William Tietz; Montana State University

President Tietz introduced the members of his staff present to take part in the evaluation process. Those included Bruce Shively, who will address budgetary matters; Dr. Michael Malone; Acting Vice President for Academic Affairs; Dr. John Jutila, Acting Vice President for Research; and John O'Connell, Acting Dean of Student Affairs and Services.

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President Tietz distributed and reviewed a handout titled "Montana State University, Presentation to Board of Regents, August 3, 1989" (on file). President Tietz explained the booklet contains varied information on the campus which can be perused at the Regents' leisure, but he did wish to highlight various areas such as enrollment trends, declared majors by field which indicate trends in student interest, student profile, FTE employees, and peer comparison data.

Speaking briefly to accreditation issues, President Tietz noted the Northwest Accreditation agency will perform its next review of MSU in 1990. The last full review was in 1980. The National League of Nursing comes next year; architecture was last reviewed in 1986 and received full six-year accreditation. The School of Business was fully accredited for an eight-year period in 1988. Dr. Tietz also reviewed other academic programs' accreditation, explaining those would be dealt with in more detail by Dr. Malone.

Reviewing the Financial Profile on page 11 of the booklet, President Tietz noted everyone is familiar with the circumstances at MSU - roughly 78 percent of dollars go into instruction, academic support, student services and scholarships and fellowships as opposed to 68.4 percent at the peer institutions. Similar comparisons were made in the areas of institutional and physical plant support.

In total, MSU receives overall approximately 64.4 percent of its peers. Dr. Tietz reviewed in formula and incremental elements contained on page 12 of the booklet. Even with the infusion of money MSU received, the actual catch-up with peer institutions was 0.7%.

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Emphasizing in particular the seriousness of the support received by MSU and the entire Montana System, President Tietz distributed copies of "Montana's Declining LRBP Cash Program and the State's Crumbling Infrastructure -- A Heavy Mortgage for Future Generations" (on file).

President Tietz next reviewed the process involved on MSU's campus in the development of a preliminary budget for FY 1991 (handout on file). The principal priority was to maintain the basic instructional and research functions of the University, and then to allocate as much as possible to faculty professional salaries while maintaining institutional and departmental flexibility. The institution's infrastructure also had to receive consideration, as did the increased program of designated debt retirement. President Tietz reviewed the compensation issues and line items/commitments on the handout, noting contract faculty were allocated 6% increases, and for the first time ever MSU resorted to an across-the-board cost-of-living salary allocation plan. That was done reluctantly, but it was felt some response had to be made to those dedicated employees who had gone two years with no salary increase.

At Dr. Tietz' request, Mr. Shively reported on the accounts within the designated subfund. He briefly explained that designated accounts are distinguished from state support accounts on the basis that they charge a fee for the service they provide to the instructional and research elements of the campus. In theory, and it is hoped in practice, the designated accounts are self-supporting. These accounts include

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the computer center, campus stores, and the motor pool, in addition to a number of more specialized accounts. At present MSU operates twenty-six separate accounting entities and well over two hundred sub accounts within the designated sub fund.

In FY 1989 expenditures within the designated subfund totaled \$14.7 million, and revenues were \$15.3 million, thereby allowing MSU to close its fiscal year with a positive fund balance in its designated subfund of more than \$380,000. However, seven of the accounting entities within a designated subfund finished the year with negative cash balances.

Mr. Shively explained that with the passage of H.B. 44 the System is required to provide a detailed written report to the Legislative Finance Committee explaining the reason for any negative cash balances, and what steps will be taken to correct those. This report is being prepared and will be submitted to Commissioner's staff for transmission to the Finance Committee.

MSU is also operating under Board of Regents' directive to eliminate deficits in the designated subfund by the close of FY 1991. In response to that directive a series of stricter management controls have been implemented. Mr. Shively reviewed those controls in depth, concluding MSU is confident it will be able to comply with the Regents' directive. He responded to Regents' questions on the total deficit and the accounts involved. The situation is exacerbated because the state accounting system does not allow funds to be carried over, nor does it allow a unit to borrow funds. The subfunds go on from year to year, but MSU's budget must zero out each June 30.

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Mr. Shively spoke also to how the FY 91 preliminary budget was developed, (handout dated August 3, 1989 on file) noting that it has become crystal clear to all those involved in building this preliminary budget that in the absence of additional funding or major reductions in current program offerings, it will be difficult if not impossible to sustain the basic operational functions at MSU, and completely impossible to take advantage of opportunities for the future.

Dr. Michael Malone spoke to academic programs and achievements. Summarizing, he noted all academic and support programs at MSU are fully accredited. A future problem with maintaining that status is MSU's inability to go beyond the 6 percent funded scale for salary increases. He explained the process of curricular review involved in the conversion to the semester system, stating MSU is on schedule with that process. The core curriculum has been reviewed and is in place. Library funding remains critical.

Dr. Malone also reviewed faculty and student achievements, computer facilities, the Wheeler Center, and KUSM, and other topics covered in the "Special Features" section of the booklet. He also distributed a montage of clippings on the CatLink system, which provides access to MSU's catalog to anyone in the state with a personal computer, a modem and a telephone jack.

Support, salaries, and equipment are the three primary areas of concern. Maintenance of equipment, not figured into the funding formula, is "eating us alive."

President Tietz introduced Dr. John Jutila, Vice President for Research, noting he is finishing his

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29th year at Montana State University. Dr. Jutila has announced his resignation; this may be his last presentation to the Board on behalf of MSU. President Tietz complimented Dr. Jutila for his innovative leadership in the research area, noting he has guided the research enterprise during his entire career at MSU. Dr. Jutila distributed and reviewed a booklet titled Research at Montana State University; Program Highlights, FY 89 (on file). The outline contained in the handout included research goals, measures of success, facilities development, developing centers of excellence, Museum of the Rockies; advanced materials center, local government services, and natural resource science categories. Dr. Jutila concluded his review with note of the barriers to achieving research goals which include little state support; serious underfunding of academic programs; lack of space; and poorly funded infrastructure.

Next President Tietz introduced John O'Connell, who is presently filling the position of Dean of Student Affairs and Services. Mr. O'Connell explained his areas of responsibility include directing and being responsible for the services that enhance the students' learning environment. He briefly highlighted some of the services provided, including counseling and career services, the health center, special services for older students, special housing such as Mullan Wellness Hall, marketing and recruiting departments in the admissions area, and the incredible performance of those in MSU's financial aid office who are able to meet all the various demands made on them even in the face of ever changing federal guidelines. Special services to veterans and disabled or handicapped students were also discussed.

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President Tietz responded to Regents' questions on the presentations made, elaborating on the \$500,000 for planning and design of the \$16 million Bioscience Buildings contained in the United States Department of Agriculture appropriation bill. This is separate from and does not relate to the state's long range building program. He also responded to concerns of the agricultural community and the stockmens association expressed by Regent Hurwitz. The sentiment has been expressed that MSU is "more concerned with research than with student education," and is straying from its designated role and scope mission. President Tietz explained he shares the concern for the impressions in the state in this regard. In many cases, however, those criticisms are brought by the very people who should be solving the problems. MSU is proposing a major review of the consolidation of the experiment station/extension service -- its outreach functions -- and the possibility of restructuring the agricultural enterprise to incorporate a component of "agricultural services." Apparently there is a function needed to solve problems that are not being addressd by the present structure. This may not be the proper forum for a complete discussion of any change in structure; traditional sources used in the past are obviously not working to meet the needs.

Mr. O'Connell responded also to Regent Redlin's questions on the future of financial aid. More students are needing this assistance than at any time in history; what burdens this will place of the federal government and other sources providing those monies is yet to be seen.

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President Tietz noted the University System has complained vigorously about the level of state funding in recent years. Outside activities to supplement that funding have been encouraged and receive very positive press. What the state provides receives mostly derogatory comments. This is not the most desirable scenario, but as long as outside activity provides most of the funding for programs as worthwhile as the Museum of the Rockies, it will continue.

Commenting on the consolidation of the ag experiment station and the cooperative extension service, President Tietz noted that is going exceedingly well. The extension service has received national recognition for its expository work on the Montana tax system; has done a remarkable job on the Russian wheat aphid problem. The experiment station has been working on projects to reduce chemical usage in crop systems, and has pushed hard in the molecular biology area. The resignations of Dean and Director Welsh, Dan Bartel, Associate Dean of Instruction, and LeRoy Luft, Director of the Extension Service are distressing. These resignations leave three of the top four positions open, and all are leaving for substantial increases elsewhere. This has to be viewed as an opportunity, but it is not comfortable.

Chairman Lind stated the next series of questions may involve matters that relate to the individual privacy of Dr. Tietz. In the Chairman's opinion, the demands of Dr. Tietz individual privacy clearly exceed the merits of public disclosure, and in the absence of a waiver, the meeting will be closed. Dr. Tietz declined the waiver, and the remainder of the evaluation was conducted in executive session.

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Evaluation of President James Koch; University of Montana

President Koch began the institutional report of the University of Montana by introducing those present to participate in the presentation. These included Provost Donald Habbe, Provost Michael Easton of Western Montana College of the University of Montana, and Vice President Sheila Stearns. He asked Provost Easton to begin the institutional report by presenting an update on happenings at WMC of the UM.

Provost Easton stated enrollments at WMC have rebounded from an all time low immediately following the merger, to the highest in the institution's history. The FTE enrollment is up approximately 16-1/2%. Residence halls use has increased dramatically; external funding has made an enormous contribution, particularly in computer enhancement through Title III monies, and in the receipt of external grants for assorted projects and programs.

Provost Easton highlighted several special projects on WMC's campus including the electronic bulletin board; the Salish Kootenai Cooperative Program; the rural economic center; the reinstatement of athletics has had a very positive effect even though less money is being spent. The tourism and recreation program is enormously successful; as is the early childhood education program and the emphasis in art and advertising design. Accreditation reports have been very positive. The administrative reorganization is complete, and the appointment of Dr. Keith Parker as Dean of Faculty has been extremely helpful.

Concerns enumerated by Provost Easton included cuts in funding, which will make the second

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year of the biennium particularly stressful, and the "survival mentality" permeating the campus and the community the last few years. To overcome that, it is essential WMC make long range planning a top priority as it enters a period of long hoped for stability. Being a single focus institution is not healthy; proposals are being developed to bring to the Board which will broaden WMC's base.

In summary, Provost Easton stated the merger with the University of Montana works and has provided WMC stability. Healthy relationships have been established, enrollments are up, and the future appears positive.

Provost Easton responded to Regents' questions on the Birch Creek facility, the need for additional on-going merger activities particularly in the administrative area, and community support for the institution.

Resuming his institutional report, President Koch distributed and reviewed university funding study comparative data showing the University of Montana's percentage on any of the tables is the lowest in the System. The most revealing is Table D, showing UM receiving the lowest percentage of state dollars in relation to its peers of all the units. The University of Montana cannot be maintained with a range of professional programs with this level of funding. The Board truly must direct its attention to not only the level of funding, but how the dollars are distributed among the institutions.

President Koch spoke to the issue of retrenchment. Through retrenchment, the University was

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able to honor its salary commitments which were crucially important to continue to attract and maintain quality faculty and staff. Also, retrenchment allows a considerable investment to be made in the library, and allows the University to retain its first year faculty except those in the retrenched disciplines. He elaborated on the reasons why this was so desirable, particularly in disciplines with rising student demand such as the school of business. Approximately 98 percent of UM's departments and programs remain after retrenchment, and by 1991 UM hopes to be able to make significant reinvestment in those faculty positions and programs. If the state's funding formula does not change and the commitment to equalize the student/faculty ratio with MSU continues, the University of Montana will receive a considerable amount of additional money in 1991. UM is eager to see that the rules do not change, and this does occur. Enrollments have increased seven percent this year; applications for admission are well ahead of last year. Selective strengthening of a wide range of programs should be possible in 1991. President Koch asked again that the Board address the data presented on the handout relative to UM's position to other institutions.

President Koch next reviewed the many things the University can point to with pride which make this last year "the best of years" in addition to being "the worst of years." These included setting another record for extramural funding for research -- almost \$9 million. The return of indirect cost dollars was key to this success. Those dollars were invested well with the bio-tech firms, with start-up dollars for individual

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faculty research and grant projects. The dollar increase in extramural funding for research last year was larger than the dollar increase the University received from the state of Montana.

Also mentioned were receipt of almost \$800,000 to establish an endowed chair in Japanese language and literature; the percentage increase of alumni contributing to the excellence fund; designation of the University as the lead institution for two centers of excellence; the Northwest reaccreditation; and individual awards of faculty. He cautioned, however, that if funding for the University continues for the next ten years in the same manner it has for the last ten years, the University will not be the same institution.

Another positive aspect is the high quality of students the University attracts. President Koch spoke also to the increased use of student services brought about in part by the change in average age of students. He reviewed continuing education offerings of the University, including telecommunications offerings and the master of administrative sciences program in Great Falls.

President Koch mentioned the problems in the administrative and fiscal area associated with implementation of the new financial system. All negative fund balances have been eliminated in accordance with the Regents' directive, and controls implemented which UM believes will prevent that situation from occurring in the future.

President Koch spoke at some length to accreditation issues. Three programs are on probation.

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-- forestry, pharmacy, and business. The bottom line in each accreditation visit is that not enough money is being spent on the programs. He explained how lack of funding impacted each of those and other programs, and the approach UM intends to take with the legislature to secure the funding needed to continue those professional accreditations. The legislature needs to recognize its responsibility to fund needed buildings such as the business school building. He urged the Board to work with the legislature and include in the funding study a method to revise the method of funding expensive health related programs. International studies and exchange programs were also reviewed, as was the outstanding reputation and curriculum of the school of law.

President Koch explained that UM is adapting to budget cuts through narrowing and focusing its offerings, more reliance on outside funding sources, and borrowing and sharing resources with cooperating institutions, particularly in the library area. The indirect costs monies have been wisely used and have shown an exceptional return in programs, equipment, and dollars. Professional schools are the areas of greatest concern, both because of increasing accreditation standards, and high student interest. They are the core of a liberal arts institution.

President Koch discussed the centers of excellence at the University, how the University serves economic development needs of the state, and its longer range plans for institutional development. UM is doing a smaller number of things better, particularly at the graduate level.

The University was extremely pleased to be one of the schools listed under the designation "how to

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get an ivy league education at a state institution." UM intends to deny admission to a certain range of students with low SAT scores, low GPA, low rank in class, and does not intend to use its permitted 15 percent exemption to admit students who show statistically that they have a poor chance of success at UM. Promotion and tenure standards for faculty will be increased.

President Koch concluded by stating it has been in many ways a very good year at the University of Montana. The past two-three months when the institution was undergoing retrenchment have captured a great deal of attention, but should not overshadow the many positive things that also occurred.

Responding the Regents' questions, President Koch discussed how the University is proceeding on the conversion to the semester system. While faculty preferred the change not be made, there is cooperation and the process is on schedule. A calendar revision will be brought to the Board sometime in the next year providing for the 150 days of instruction the accrediting association prefers.

President Koch responded to other Regent questions on the master's program in Great Falls; funding of the Billings MPA; and coordination among units. Elaborating on his statement regarding "narrowing of focus" President Koch stated this means perhaps UM should not offer as wide a range of programs in the future. Perhaps UM should provide all graduate business programs in the state, and MSU should do the same for the nursing program. This would allow specialization to realize economies of scale. Generally morale on the campus is exceptionally good, and is

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commented on in accreditation reports. A critical issue is obtaining full funding of the formula, and addressing inequities in its distribution. President Koch reiterated his belief that for whatever reasons, the two universities have not fared well under the patterns of funding that have developed over the last decade. That is what he believed the Board needs to address. As a result of retrenchment and other actions, UM's budget will be balanced over the biennium. The first year will be extremely difficult; if the planned phase outs occur as planned, the second year should balance out.

Hearing no other institutional questions, Chairman Lind stated the next questions may involve matters of personal privacy that he determined outweigh the public's right to know. Unless waived by President Koch, the remainder of the evaluation will be conducted in executive session. President Koch declined the waiver, and the meeting was closed.

Evaluation of President Bruce Carpenter: Eastern Montana College

President Carpenter introduced Vice President for Academic Affairs Ron Sexton and the newly appointed Vice President of Student Affairs, Dr. Whipple, who assumed that position only two days ago.

President Carpenter referenced the guidelines sent to all presidents for presentation of institutional reports. One question asked how the institution is adapting to limited financial resources. Eastern has had limited financial resources for some time, and Dr. Carpenter stated that is probably a recurring theme in all the institutional reports. The material sent the Regents earlier (on file) reports actions Eastern has taken beginning with the original 2

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percent recision called for by the Governor; the 6 percent by the special legislative session; and those that followed. Eastern cut a variety of administrative and staff positions; trimmed programs; cut sections; it has been running "thin" for some years. An increase was received in EMC's budget for this biennium because of increased enrollments. However, during the previous biennium Eastern was underfunded by better than 100 FTE per year. At \$3,000 per FTE, that caused a serious budget shortfall.

Dr. Carpenter reported on accreditation reports. Eastern received full accreditation from the Northwest Association of Schools and Colleges. He read excerpts from those reports that dealt with problems the accrediting agency found on the campus relating to the fiscal strain Montana is experiencing and the way the budget of the institution reflects that problem. He noted particularly comments in the report that while Eastern has 13.7% of the student FTE in the System, it receives only 11.69% of the budget. The report also recommended the College sharply focus its mission and narrow its goals and priorities, capitalizing on its key urban location. The report also insisted that attention be given to faculty salaries and compression. Other recommendations related to the library, student retention, and administrative staff additions needed. Commendatory remarks were also read by President Carpenter. No programs are on probation at EMC. Eastern is preparing now for its scheduled October accreditation visit from NCATE.

President Carpenter reported on the development of centers of excellence at Eastern Montana

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College, particularly the number of occurrences resulting from the approval by the Board last fall of the establishment of an urban center, and the establishment of the entrepreneurship center in cooperation with Montana State University. Extensive services are being implemented for the benefit of local governments.

Work continues on improving articulation agreements with the community colleges. Dr. Sexton is also working with Sheridan Community College in Wyoming and with the tribally controlled community colleges to establish articulation agreements and to ease the difficulties of transfer. The possibility of establishing an education center in eastern Montana is being explored. The center would build on the success of the community colleges. The possibility of offering shared programs in dental hygiene and dental assisting with Sheridan Community College is being explored. Such a proposal may be brought to the Board in the fall if the results of the needs survey are positive.

The conversion to the semester system is moving forward on the planned schedule. The work necessary to put out a semester catalog should be completed by February of 1990. The general education curriculum has undergone a complete review.

One goal this year was to achieve a good collective bargaining contract with the faculty. That is still being negotiated. Sue Romney of the Commissioner's office has had a number of meetings with the campus team. There probably won't be resolution of that contract until whatever sorts out at the University of Montana is finished. Efforts continue to attract and

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retain quality students, faculty and staff. President Carpenter reported also an anonymous donor wishes to make a significant donation to EMC's library to establish an efficient computerized system.

Next President Carpenter reviewed and elaborated on comments contained in his memorandum to the Board and Commissioner providing a comparison between Eastern Montana College and the two universities, both in terms of relationships to enrollment and to budget and staffing. Among other suggestions, President Carpenter strongly urged the Regents provide some funds in the research category for Eastern in the next budget recommendations. He also reviewed the many positive things on campus during the past year listed in the memorandum, including establishment of the instructional computer center, the computer assisted telephone interview laboratory, and establishment of the first courses to be offered this fall on community cable tv in Billings.

President Carpenter concluded his report with an invitation to the Regents to participate in the Big Sky Indian Market & Exposition to be held on the Billings campus on September 8, 9, and 10, 1989.

Chairman Lind called for questions from the Board with respect to the report.

President Carpenter responded to questions of funding of programs over state lines, such as the Sheridan proposal. At Chairman Lind's request, he expressed his views on merger of System institutions with the vo-tech centers, stating it might not work everywhere, but he believed it would work in Billings. Standards should be established by the Board; the

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institutions should be told what is expected of them with regard to merger; then they should do it. Where cases of "geographic coincidence" do not exist, some type of affiliation may work better than merger. In response to questions, President Carpenter also commented on the level of preparedness students of the tribally controlled community colleges could expect to reach, and the difficulties students from those colleges experience when they leave the reservation setting to attend a different higher education institution.

President Carpenter also explained what EMC has done to eliminate negative subfund balances, and the controls put in place to prevent those occurring in the future. The Board will be able to report to the Legislative Finance Committee that these will not be an issue on EMC's campus. The mandated report will be filed.

At Regent Redlin's request, President Carpenter spoke further on the issue of parity among System institutions. He explained the information supplied the Board related only to Montana. EMC is the least expensive institution in cost per student. That is one reason he believed the information in the funding study should be updated. EMC's relationship to its peers will change drastically in relation to increases received by its peers. No institution in the state is adequately funded; President Carpenter reiterated his fondest hope would be to see the System's funding as a whole expand. However, the distribution should be equitable among the state's institution, regardless of the "size of the pie." A strategy should be adopted to look at several years to the future, and establish

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priorities. That would be extremely helpful to the System, which has been in the difficult situation of seeming to shift priorities in each legislative session. Adopting the three year rolling average method of projecting enrollments to determine funding should prove beneficial to Eastern.

Hearing no further institutional questions, Chairman Lind stated the next portion of the evaluation will consider matters of personal privacy which may outweigh the public's right to know. In the absence of a waiver by President Carpenter, Chairman Lind declared the meeting would be closed. President Carpenter declined the waiver, and the meeting was closed.

Evaluation of President Lindsay Norman; Montana College of Mineral Science and Technology

President Norman introduced administrative staff Vice President Toppen and John Hintz, present to participate in the presentation.

President Norman began his institutional report with a brief report on budget problems at Montana Tech. As with other institutions in the System, funding of Montana Tech is not equal to its peer institutions, in fact he stated it was not even near the peers. Student surveys taken at Tech show the greatest complaints of students center on fewer course options and larger classes. Maintenance of equipment and instrumentation is a severe problem caused by fiscal constraints. This is a significant problem in an engineering institutions such as Montana Tech, and directly impacts the academic program.

President Norman added, however, that faced with no pay increases for three years; no professional

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development dollars available for three years; almost nonexistent dollars available for instructional necessities; -- these have caused faculty and staff to improvise and be innovative -- and they have done so with very few complaints. President Norman praised the performance particularly of his very limited administrative staff. Students responding to survey questions on what they like best about Montana Tech cite the hands on, personal, involved faculty and staff who are truly concerned with students' education.

President Norman reported on other positive aspects of the Tech campus, including clean audits, the high number of employers recruiting Tech graduates; he spoke highly of Tech's legislative conduct in the last session; and Tech's proactive position in terms of inter-unit cooperation and collaboration. Montana Tech has some of the lowest loan default rates in the System; enrollment projections indicate a 5 - 10% increase in students this fall.

Dr. Norman spent some time on programmatic concerns, particularly in the areas of geophysics, geology, and metallurgy. These are high cost, low enrollment programs, and are closely monitored. Other industrial management and computer science programs are so heavily enrolled Tech can't hire enough faculty to meet the demand. Enrollment trends and funding problems have created recruitment problems of both faculty and students. Dr. Norman also spoke to cooperative efforts being explored with Montana State University to increase program offerings.

Vice President Toppen spoke to accreditation issues at Montana Tech. All of Tech's engineering

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programs are accredited by ABET, and all of those programs come up for accreditation this year. The team will be on campus October 16-17; this has caused a great deal of preparatory work and a great deal of concern. The Northwest Association of Schools and Colleges accreditation visit is scheduled one year later, but has a representative on the ABET team visiting in October.

Dr. Toppen outlined areas of concern with the accreditation visit, particularly in the areas of minerals processing. At the time of the visit, Tech will have a full complement of faculty in all programs except in environmental engineering. That program is two faculty members short, in spite of its high enrollment. Dr. Toppen explained the reasons for the faculty shortage, and the steps Tech has taken to correct it. He spoke also to concerns in petroleum engineering. The Board will be kept fully apprised as the accreditation process is completed.

Dr. Norman discussed centers of excellence at Montana Tech, explaining Tech's efforts to involve not only faculty but outside people with expertise to participate in the functions of the centers. Dr. Norman noted that as all units of the System become involved in the centers of excellence concept, it is important to preserve the historical and appropriate role for Montana Tech, especially in the areas of materials, geologic, water, and hazardous waste research.

Tech has taken a leadership role in the area of economic development. Dr. Norman cited examples such as Tech's participation in the Butte Incubator, involvement in workshops and seminars, and other community outreach projects Tech provides to encourage small business development.

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Tech has done about as much fine tuning as it can. A principal goal of the future continues to be to build academic excellence in the quality of Tech's engineering programs, with a positive focus on the future on the institution. Tech will be focusing this year on pay for services. Tech has the lowest tuition and fee schedule of any unit in the System. The answer is not a tuition increase, but proposals may be brought forward to increase certain user fees. Tech anticipates increased activity from its foundation, and solicitations from outside donors. While President Norman pledged to continue to raise money from outside sources, he urged the Board to not allow the state to ignore its responsibility to Montana Tech because of the contributions Tech makes to the state in its unique role as the only institution in America that has fully accredited minerals and energy engineering programs.

In summary, President Norman stated the last three years have been exceedingly difficult. The budget and staff cuts experienced were painful; Tech operated last year at 99 percent of fixed costs. In spite of these problems Tech continues, and has been extremely successful in accomplishing its mission because of the commitment of the people at Montana Tech -- faculty, staff, and students.

Chairman Lind asked President Norman to comment on the possibility of merger of the vo-tech centers with units of the System. Would that be good or bad for Tech and the Butte Center. President Norman stated Montana Tech has proposed models for merger; it has proposed various contracting for services agreements; and has been in the first rank in saying

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Tech is willing to go forward with merger. Money will not be saved by such a merger, but services and academic quality will be improved, and a unified front would be presented to the local and regional community for higher education. The problems arise because there is no clear indication that Tech should proceed in this direction; discussions seem to be stalled.

Regent Redlin asked what merger meant to President Norman -- does it mean maintaining a separate budget for each institution. He responded all discussions have assumed the vo-tech center would have a separate budget. The only merger that makes sense to Montana Tech administration is a complete merger where governance, academic administration, physical plant functions, financial aid, registrars, admissions, etc., come under the direction of Montana Tech. A piecemeal merger would yield few benefits.

The principal officer of the vo-tech center in such a merger would be an academic officer who reported to Vice President Toppen. The principal need of the vo-tech is to continually improve the academic content.

Dr. Norman and Dr. Toppen responded to other Regent questions on aspects of the institutional report, concluding that employment opportunities for graduates of Montana Tech overall approach 94-95%. Of those, approximately 47% work in Montana.

Chairman Lind stated at this time the remaining questions will involve matters of personal privacy which he deemed would outweigh the public's right to know. In the absence of a waiver by Dr. Norman, the meeting will be closed. Dr. Norman declined

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the waiver, but asked that Dr. Toppen and Mr. Hintz remain. The Board concurred with that request, and the remainder of the evaluation was conducted in closed meeting.

Minutes of Friday, August 4, 1989

Planning Committee

Commissioner Krause called the meeting of the Regents' Planning Committee to order at 7:30 a.m. Committee members present included Regents Lind and Mathers; Presidents Koch, Tietz, and Carpenter; and CHE staff Jack Noble and John Hutchinson.

The purpose of the meeting was stated to be to strategize the direction the System should take, and how that can be presented to the legislature and the Governor. Working concurrently with this committee will be the Regents' Curriculum Committee assisted by the Chief Academic Officers to prepare programmatic considerations. The Planning Committee was established to determine ways to address the long term financial future of the System. The System has to receive additional funding or make major structural changes. The meeting today should focus on who should be involved in this process and how a cohesive long range plan can be developed and adopted far in advance of the convening of the 1991 Legislative Assembly.

President Tietz stated he believed he had precipitated some of this discussion at the Regents' workshop, and would like to add comments. The System has repeatedly made reductions at all units, and is now funded at 65 percent of its peers. A stand has to be taken somewhere. This can't continue. Each time reductions are made, the legislature asks that more be

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done in the next biennium. Cutting programs is viewed by the legislature, not as reallocating resources, but as taking resources out of the System. The state must decide what it wants to fund before any further planning for the future can be accomplished. The System is being asked to be more accountable with less flexibility with fewer programs and more complaints. The approach should be positive; the Governor's support is crucial.

After wide-ranging discussion, several points were agreed upon. The Governor's participation is essential. If he concurs, he would be asked to create a commission to actively review the future needs of the Montana higher education system, and prepare an action agenda for the Governor and the University System to present to the legislature. Members of the planning committee suggested if the Governor agrees to the concept, the commission's membership should be constituted from prestigious regional and community leaders selected by the Governor in conjunction with the higher education community. Legislative and higher education participation on the commission would be limited to supplying data requested by the commission. Outside professional consulting services should be utilized. Costs of the commission and the consultant services would be solicited from various sources. Aspects of the Montana Ambassadors study recommendations should be incorporated. The Maine Commission study could be utilized as a model.

It was then agreed the Commissioner, Chairman Lind, and Regent Mathers will schedule a meeting within the next week to ten days to solicit the Governor's support. After that meeting, the planning committee will be reconvened to plan other legislative strategies.

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Brief discussion was also held on reestablishing the presidents' tour of the state prior to the next legislative session. Suggestions were made for changes in such a tour's format.

The planning committee adjourned at 8:25 a.m. The Board of Regents met in executive session from 9:00 a.m. to 10:15 a.m.

Chairman Lind called the regular meeting of the Board of Regents to order at 10:20 a.m. Roll call was taken and it was determined a quorum was present.

Chairman Lind called for additions or corrections the minutes of the previous meeting. None were stated, and the minutes of the June 21-22, 1989 meeting were ordered approved.

Telecommunications Committee

Commissioner Krause reviewed the satellite uplink proposal, explaining the one before the Board is the only response received to the Request for Proposal. The gift of the uplink has been discussed at previous meetings. The proposal before the Board would site the facility at Montana State University. The Commissioner stressed, however, that regardless of site, the uplink is a system uplink.

President Koch spoke to the long-standing interest of the University of Montana in a satellite uplink. UM did not respond to this RFP because the Pan American satellite is so low over the South Atlantic that it cannot be seen from Missoula, and was therefore technically impossible to be sited in Missoula. UM hopes the Board will insure it does have access to the uplink, with the understanding the marginal cost of access would be paid by the University. By the same

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token, UM hopes that access will be freely provided and there will not be discrimination against its availability.

Commissioner Krause next briefly discussed segments of HB 28 passed in the last legislative session. The bill to provide resources to complete telecommunications engineering design and to begin providing matching money to obtain grants from NTIA to complete a telecommunications network failed to pass. Other legislation was successfully amended to include completion of a small part of a telecommunications network, and provided some demonstration projects for OPI. This proposal involved OPI, the Department of Administration, and higher education. Commissioner Krause referenced page 134 of HB 28 which provides \$500,000 for distance learning. This is one of many parts of an attempt to put a network together that would be used for all educational purposes in the state. The bill has not been signed by the Governor, but if he signs the bill with this intact, it would greatly assist the collaborative attempt to establish an educational network. Commissioner Krause will keep the Board informed.

Superintendent Nancy Keenan encouraged the Board to let the Governor know of its support for this portion of the bill because of its importance to statewide educational efforts.

Chairman Lind stated telecommunications networking is a high priority of the Board of Regents. He directed the Commissioner to continue efforts to assist in any way possible to apprise the Governor of the importance of these funds, and will endorse it also in his conversation with the Governor.

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Regent McCarthy moved approval of the proposal submitted by Montana State University for placement of the satellite uplink. The motion carried.

Chairman Lind stated for the record the Board's appreciation that Montana State University was able to respond in this positive way to provide the System uplink, which will be a tremendous benefit for all of education in Montana.

Regent Elsie Redlin, Chairman of the Telecommunications Committee, spoke to the importance of the linking this will provide to a portion of the state that is not well served. The potential of telecommunications offerings in the sparsely populated areas of eastern Montana is exciting.

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 Redlin, Item 64-101-R0889, Asbestos Removal, Room 320, Science Complex; University of Montana and Item 64-102-R0889, Air Conditioning and Ventilation for Country Store, Lodge Building; University of Montana were approved.

On motion of Regent Kaze, Item 64-104-R0889, Naming of the "Underground Lecture Hall" the Harold C. Urey Lecture Hall; University of Montana was approved.

On motion of Regent Clouse, Item 64-201-R0889, Authorization to Demolish the Military Quonsets; Montana State University was approved.

On motion of Regent McCarthy, Item 64-301-R0889, Authorization to Remove Surplus House at the Northwestern Agricultural Research Center; Agricultural Experiment Station an addition to the agenda, was approved.

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Report on Billings Vocational-Technical Centers Site Transfer

Chief Counsel LeRoy Schramm explained the problem that has arisen with transfer of the Billings Vocational-Technical Center property from the local school district. An interior parcel of thirteen acres within the twenty-eight acre parcel is in dispute. Dr. Schramm elaborated on the severe limitations this proposal would place on present and future operations of the Center, concluding that staff believes this is totally unacceptable. No formal action is requested, but direction is needed from the Board of Regents as to how staff should proceed.

Commissioner Krause stated it has been the System's position that acceptance of the centers is contingent on transfer of the appropriate real estate involved. He urged the Board concur that this position be maintained, and negotiations be continued with the Billings School District under that mandate.

After discussion, with the Board's concurrence Chairman Lind requested the Commissioner and staff continue to discuss and negotiate a mutually agreeable arrangement for the acquisition of the Billings Vocational-Technical Center site, with appropriate access and expansion area.

11:00 a.m. - Student Appeal

Chairman Lind stated this is the time scheduled for the appeal of Joseph P. Moran before the Montana Board of Regents. He determined Mr. Moran was present, and explained to Mr. Moran that he would have the opportunity, with counsel, to present the appeal. The procedure to be followed is that this is a public

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hearing unless Mr. Moran wished to assert there may be matters of individual privacy which he believed outweigh the public's right to know. If Mr. Moran wished to make that assertion, Chairman Lind stated he would make that determination based on Mr. Moran's representations. Following that, an overview will be presented by Chief Counsel Schramm; Mr. Moran will make his statements; each will have the opportunity to respond. A total of thirty minutes has been reserved for hearing of this appeal.

Mr. Moran stated he wished the hearing to remain open.

Chief Counsel Schramm noted the record of this appeal contained in the materials presented to the Commissioner are before the Board. The appeal involves three major issues; (1) the treatment of Mr. Moran's application for graduate study in political science; (2) several campus jobs Mr. Moran applied for unsuccessfully and his assertion that denial of some of those positions was improper; and (3) an issue of financial aid. Detailed documentation on each of these issues was before the Board. Dr. Schramm stated Mr. Moran would speak to what he believed was important on those three issues.

Mr. Moran stated basically his case represents all students seeking a higher education in the state of Montana. The outcome of his case will affect the quality of education in this state in the future regardless of what happens to this appeal. He referenced various documents sent to the University administration, the Board, and the Commissioner. He stated his letter of March 25 (on file) to the

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Commissioner illustrates a policy of harassment by a select group of the administration of the University of Montana that underlies the funding problem he has had to deal with.

Mr. Moran stated a main issue was UM not releasing the last third of his GSL. He cited medical problems that prevented his attending or completing classes, including stomach disorders and paralysis of his right hand. The medical files would be unclear to others, Mr. Moran noted, because of the diagnostic note habits of the attending physicians. Two additional letters relating to his medical problems written by Dr. Curry, Medical Director, Student Health Service, were distributed (on file). Mr. Moran concluded his appeal stating his belief that his contacts on his behalf with state senators, the Governor's office, and Senator Burns contributed to his being harassed because he was creating too many problems for the System.

Chairman Lind summarized his understanding that the issues Mr. Moran was raising are outlined in the March 25 letter to Dr. Krause in addition to those stated in this hearing with respect to the discontinuation of his guaranteed student loan. Mr. Moran replied that is the most recent issue of harassment he would like to deal with right now. But he believed the background contained in the letter could be verified and could be proved.

Dr. Schramm addressed the student loan eligibility issue. Looking at the two letters submitted by Dr. Curry explains some of Mr. Moran's frustration, and explains why the campus experienced similar frustration. There was some difference of opinion on

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campus on how to evaluate Mr. Moran's application for exemption from the satisfactory progress rule. The March 20, 1989 letter from Dr. Curry was reviewed by the on-campus appeals committee, as was the March 28 letter which seems to indicate something different from the first. The appeals committee evaluated those two differing standards based on Dr. Curry's statement that he had intended Mr. Moran to use the March 20 letter to obtain an "incomplete" so he would have some extra time to finish his courses. The second letter was requested to allow Mr. Moran to have a medical withdrawal from school for the quarter in question. In the view of Dr. Curry, and of the appeals committee, two different standards are at work. A person can have medical problems and probably deserves extra time to get in some incompletes; it is quite another thing to say the person was so incapacitated they could not complete any work during the quarter and they qualify for a medical withdrawal. Dr. Schramm stated his belief that these differing standards are legitimate, though they may have caused some confusion.

The financial aid office deals rather frequently with requests for medical withdrawals each quarter. Dr. Schramm stated he believed that office made a reasonable effort to make a decision in this case consistent with its rules, as did the appeals committee. Both President Koch and Commissioner Krause respected the judgment of those involved in these issues on a day to day basis. However, Mr. Moran's frustrations are not without some basis, and one can understand them.

Mr. Moran asked to clarify two points. The dates of Mr. Curry's letters are at the end of the

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quarter; an incomplete is not given that late in the quarter. That is standard policy at the University of Montana. Mr. Moran also stated Dr. Bilderback suggested he seek a medical withdrawal and then return to discuss what the results were. Mr. Moran stated it was too difficult to go from one office to another. He was still in school; he was handling medical and financial problems. The situation was difficult to deal with.

The hearing was opened for questions from the Board. At the Board's request, Dr. Schramm presented an overview of the meaning of "satisfactory progress" under GSL regulations. Summarizing, federal regulations are not specific; each school must have a satisfactory progress policy. The specifics of the University of Montana's policy were reviewed. Mr. Moran was also questioned on the number of credits taken, and his GPA. He stated he received three "w's" because of medical problems and the harassment he was experiencing. The medical problems began with the onset of the cold weather in December. Mr. Moran expressed some dissatisfaction also with the services of the medical clinic at the University, and stated because of financial problems he could not avail himself of other medical attention.

After further questions and responses, Regent Redlin stated to Mr. Moran that she was perfectly willing to accept his word on his medical problems. Her concern as a Regent, however, was to examine the process, and to examine the limitations under which Regents operate as overseers of financial aid. She asked Mr. Moran if, to his sure knowledge, he was treated differently than any other student with medical

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problems. Mr. Moran replied he did not believe Dr. Curry dealt with him as a professional. He had been dealt with more professionally by other doctors. Regent Redlin asked if Mr. Moran had documentation that he had been discriminated against by Dr. Curry, i.e., that Dr. Curry had written a similar letter or letters for another student, and that student had been granted a medical withdrawal. Mr. Moran stated he did not, but his sense was that if all medical withdrawals for that quarter were examined his was probably the only one rejected or he was in a minority.

Dr. Koch was asked to comment. He disclaimed participation in decisions respecting financial aid, medical withdrawals, admissions to graduate programs, nor had he communicated with anyone in any of those offices regarding Mr. Moran. He was not aware that any other member of central administration had done so either. He was also not aware of any retaliation aimed at Mr. Moran or any other student. There are many avenues for students who are dissatisfied to appeal perceived grievances. Mr. Moran has utilized all of these avenues. Those individuals and groups have not found merit in Mr. Moran's complaints. Quite the contrary in President Koch's view, Mr. Moran has been abusive to those positioned to provide him due process. Even so, he has been listened to.

Mr. Moran made concluding remarks. He concurred that some of the letters he had written should perhaps not have been written. He felt he had dealt as honestly and intelligently as possible with the system. He had supporting documentation from a Dean of the University; there were contradictory letters from the

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health service physician; he had medical problems; but he was as persistent as possible. He suffered extreme frustration in the process; he asked that allegations made in his correspondence be looked into by the Board whether or not his appeal is granted.

Chairman Lind outlined the Board's obligation. That is, to assure itself that Mr. Moran has been given every opportunity to be provided due process -- to present his case at the levels afforded. When the review comes before the Board, its responsibility is to determine whether the decision can be supported on a rational basis, or whether it was so outlandish as to be completely arbitrary and capricious. If it is found to be arbitrary and capricious, then the Board should reverse the decision. If the decision appears to have been made in a reasonable, rational fashion, then the Board's obligation is to uphold that decision.

Regent Mathers stated that after hearing testimony, and reading the findings of all the groups involved on the campus, he moved the Commissioner's decision be upheld and Mr. Moran's appeal denied.

Regent Redlin stated it should be noted that the vast amount of paperwork required by the Board can't help but be frustrating for students. She believed it appropriate that Mr. Moran know she was sympathetic in that regard. However, she was satisfied Mr. Moran had not been able to show where he had been treated differently from other students, though they may share Mr. Moran's frustration.

The question was called on Regent Mathers' motion to uphold the Commissioner's decision. The motion carried unanimously; the appeal was denied.

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Capital Construction Committee (continued)

Report on Great Falls Vocational-Technical Center Site Transfer

Chief Counsel Schramm reviewed the problem that has arisen with transfer of the Great Falls Vo-Tech property. When property was purchased to site the vo-tech center, approximately half of the property was purchased, and the other half was donated by the College of Great Falls. The transfer included, and the school district accepted, a restrictive covenant that states the land will be used forever solely for the purposes of a postsecondary vocational-technical center. The problem that has arisen late in negotiations is the assertion by the College of Great Falls that the covenant is bound by the old definition of vocational-technical education in statute when the transfer occurred. The System asserts today's definition should prevail. At issue is whether courses can be taught on the site which lead to a baccalaureate degree. The System is under instruction by joint resolution of the legislature to move towards the centers awarding AAS degrees. Placing the vo-tech centers under the aegis of the Board of Regents implies there will be articulation with units of the System. The contemplated offering of classes at the Great Falls Vo-Tech Center by Northern Montana College would be outside even the broadest interpretation of the covenant.

Dr. Schramm reported on discussions held recently with President Shields of the College of Great Falls. Middle ground was sought, and transmitted to President Shields. Copies of that correspondence were also sent to the Regents. Dr. Shields has responded to the System proposals but serious problems remain to finalizing the transfer.

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Commissioner Krause agreed some tangential issues appear negotiable, but CGF's refusal to move off of the position that offering courses leading to the associate of applied science degree will violate the covenant is a major stumbling block. If that position is not negotiable, Dr. Krause stated he would not recommend the Board proceed with the transfer of the Great Falls Vocational-Technical Center land. If satisfactory title to the land cannot be obtained, the provisions of HB 100 prohibit payment of the bonded indebtedness. Some current offerings at the Center may be in violation of the covenant. However, the Commissioner noted the covenant restricts activities only on the acreage involved, and not on what the System can offer in other locations in the Great Falls area.

Regent Mathers recommended the Commissioner continue negotiations with the College of Great Falls and keep the Board advised. The issue should be resolved at the September meeting if possible, because of contemplated use of the Great Falls Vo-Tech facility. A declaratory judgment could be sought to determine if the covenant should be interpreted under the statutes in existence when the land was transferred, or those in place today.

Chairman Lind asked Commissioner's staff to determine the System's legal obligations under House Bill 39 and House Bill 100 to determine if funds appropriated to pay the bonded indebtedness can be utilized to lease the facility for the next year. The Governor's support for any position contemplated on this issue should be solicited. An agreement could be sought with the College of Great Falls to allow the courses now

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being offered in Great Falls by the University of Montana and Northern Montana College to continue to be offered in the coming year while this issue is being resolved. Chairman Lind asked staff to also continue to explore any middle ground that would be acceptable to all parties, and if that is not possible, the System needs to determine where these courses could be offered.

Negotiations and conversations with interested citizens of the Great Falls community will continue; the Commissioner will keep the Board informed.

Western Bond Payments (addition to agenda)

Deputy Commissioner Noble presented and reviewed a revised amendment to agreement dated July 1988 between the Board of Examiners and the Board of Regents. The amendment to agreement is necessitated by the passage of HB 777 in the last legislative session that changed the debt obligations of Western Montana College. The agreement is satisfactory to Western Montana College. On motion of Regent McCarthy, the agreement to approve the revised payment schedule on Western Montana College bonded indebtedness under the Long Range Building Program Bonds, Series 1985A, was approved.

By-Laws and Policy Committee

Submission Agenda

Commissioner Krause asked that the first item on the submission agenda, Regents' Policy Section 940.21; Remedial instruction fee, be moved to the action agenda. He explained that as part of a motion adopted in December 1986 implementing admission standards for the System students enrolled in remedial courses would

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be assessed a surcharge effective Fall 1989. He proposed this policy be rescinded based in part on the tuition increase recently adopted. Students requiring remedial courses should be encouraged to attempt a college education, they pay the increased tuition, and may be put at risk if this surcharge is imposed.

Regent Kaze questioned if something else other than the tuition increase prompted the recommendation to rescind. His understanding at the time the motion was made was that the System wished to discourage remediation. Dr. Krause replied that was a factor; another was an attempt to reduce costs and that probably won't occur under the present funding method if a fee is charged for those courses. Another consideration is with implementation of admission standards fewer students will need remediation classes.

Regent Kaze expressed some concern with the recommendation. He requested more information on the impact of such an action from both the academic and the fiscal view. Regent Clouse objected to imposition of such a fee because of the hardship it would impose on older students and single parents attempting to reenter the education community.

After further discussion, Regent Kaze moved Regents Policy Section 940.20 be rescinded, with the condition that Deputy Commissioner Hutchinson will review the fee issue with the Academic Vice Presidents and present a report to the Board prior to Fall 1990. The motion carried.

Item 41-003-R0973, Post-retirement employment; Montana University System was received for consideration at the September 1989 meeting.

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Commissioner Krause noted this has not been discussed by the Council of Presidents. The proposed change would limit the term of all such contracts to no more than three years.

Curriculum Committee

Submission Agenda

Item 64-103-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 received for consideration at a future meeting.

Action Agenda

Item 63-801-R0589, Affiliation of Northern Montana College and Great Falls Vocational Technical Center was presented by Deputy Commissioner Vardemann. She stated her comments are directed only to the curriculum proposal, to be held separate from the issue of the restrictive covenant on the transfer of land of the Great Falls Vo-Tech Center.

Deputy Commissioner Vardemann explained the proposal from Northern Montana College was originally submitted in May 1989. This material augments and expands the original submission. Ms. Vardemann called attention to and reviewed the information on the proposal contained in her memorandum to the Commissioner dated July 24, 1989 sent with the agenda materials (on file).

In summary, Ms. Vardemann stated that the Great Falls vo-tech offers a certificate program in computer science and in business. Northern Montana College has an associate of science program in computer

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technology and in business administration. The desire of these two institutions is to deliver the course work of the two NMC degrees, which are approved by the Board to be offered in Havre, in Great Falls at the vo-tech center. That is the major thrust of the proposal. She explained the resources that would be shared, and how such affiliation would meet the Regents mandate of December 1988 that such affiliations be encouraged.

She concluded that based on an overall evaluation of the proposal, the staff recommendation is that the affiliation agreement be approved on the condition that further documentation of revision of courses identified in Section II of Attachment A be provided to the Office of the Commissioner for approval prior to the offering of these courses in Great Falls under the terms of this affiliation agreement. Staff believes conceptually this proposal increases the educational opportunity to Montanans in Great Falls through the shared resources of the Montana University System.

Acting President Kerins and Director Weaver spoke in support of the affiliation, and responded to Regents questions on which institution would issue the degree, needs assessment, and focus of the AAS degree.

Deputy Commissioner Vardemann commented on the review of the programs under discussion. The review committee utilized word by word review of the syllabi to determine equivalency. If this were a similar course coming from any other institution in the System that comparison would be made on a course description alone. A second point is that the findings of the review committee were that in a number of cases the content of the programs at the vo-tech center was in greater depth than that at Northern Montana College.

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President Tietz raised questions on the title of the item -- noting approval is sought for "affiliation of Northern Montana College and Great Falls Vocational Technical Center." No mention is made in the title of program affiliation. He also understood there was agreement, understood if not in writing, that the Vocational Technical Committee would develop guidelines and conditions that would center on the terms "affiliation" and "merger". These were to be clearly defined.

Commissioner Krause concurred that the title is misleading. Approval of the item would not approve affiliation of two institutions; it is a programmatic affiliation. The item was submitted in this form; what is being approved are two program offerings, but that is not clear.

After discussion, it was proposed the item title be amended to read "Programmatic Affiliation of Northern Montana College and Great Falls Vocational Technical Center." Regent Kaze assured President Tietz also that, as agreed, the Vocational-Technical Committee will develop and bring to the Regents' fall workshop clear and precise definitions of "affiliation and merger". Input on those definitions will be solicited from all presidents.

Hearing no further discussion, the Chairman called for a motion on the item.

Regent McCarthy moved the title of the item be amended to read "Programmatic Affiliation . . ." and be approved as recommended by staff including the requirement that further documentation of revision of courses identified in that recommendation be provided to

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the Commissioner's office for approval prior to the offering of the courses in Great Falls. The motion to approve Item 63-801-R0589 carried.

Budget Committee

Deputy Commissioner Noble reviewed Item 64-3001-R0889, Tuition and Fee Schedule; Flathead Valley Community College. The schedule has been approved by the College's local board; statutes require Regental approval also. Mr. Noble recommended approval. On motion of Regent Kaze, the item was approved with Regent Clouse voting no.

Deputy Commissioner Noble referenced the Budget Recision Report listed on the agenda. No information has been received at this date from the Budget Office. A report at this time would be premature. Discussion of Student Fees for Vocational-Technical System Conversion to Semester System

Deputy Commissioner Noble reported that tuitions at the vo-tech centers were increased approximately 6.7 percent. When that change was approved, consideration was not given to the centers' conversion to the semester system. While the conversion is easy to convert credit hours from quarter to semester, there is a very different problem in converting contact hours. Mr. Noble distributed and reviewed three exhibits illustrating the problem (on file). Mr. Noble requested Board approval for staff to work with the centers to develop a change in range as set out on Schedule C of the handout. This would provide a uniform conversion to a semester fee schedule for the five centers which would meet the intent of the 6.7 percent fee increase. Students at the centers are

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disturbed with the schedule adopted, and their concerns are very legitimate.

After discussion, Regent Redlin moved that the Board authorize the Commissioner of Higher Education to work with the vocational-technical centers to develop a revised uniform fee schedule for those centers that are converting to a semester system. The revised schedules should reflect the intent of the Regents to retain approximately the same rate of fee increase for 1989-90 as was approved under the quarter system.

Mr. Noble explained that the Missoula Center is ready to move forward on the proposal contained in Schedule C distributed earlier. The motion proposed would allow them to do so, and allow the other centers to be brought forward probably as early as January 1990.

The question on the motion was called. The motion carried unanimously.

Collective Bargaining Committee

Chairman Lind stated the Regents had reviewed in executive session five collective bargaining agreements. Determination needs to be made whether they will be approved.

Regent Kaze moved approval of the following tentative collective bargaining agreements:

The Communication Workers of America Local 14740, Printing, Publishing and Media Workers Sector Local #277;

The Graphic Communication International Union Local 242-C;

Laborers International Union Locals 1134 and 98;

The American Federation of State, County and Municipal Employees Local #441; and

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International Brotherhood of Painters and Allied Trades.

The motion to approve carried unanimously.

NEW BUSINESS

Chairman Lind stated before the Commissioner's report is received it appropriate to recognize that one of the Board's members is retiring. Regent Burt Hurwitz has been a long term advocate of the University System on this Board. He has not only brought to the Board a great deal of prestige and credibility, he is also a grand gentleman. He will be dearly missed. On behalf of not only the Board, but on behalf of the Montana Guaranteed Student Loan Association and the Montana Higher Education Student Association Corporation, heartfelt thanks are extended for your contributions to higher education. Chairman Lind presented a certification of appreciation to Regent Lind on behalf of the GSL, and a plaque in appreciation of his services to the Board of Regents. He stated he wished there was more that could be done to express appreciation for the many hours Regent Hurwitz has devoted to service to higher education and the state.

Regent Hurwitz stated he did not know of any other public service he had performed that he enjoyed more than his association with the University System. He explained he was resigning not because the enjoyment was lessened, but because he believed it was time. There is a time for everything, and he believed his time to retire is now. He thanked all the people he had worked with for their kindness, courtesy, and the education he received during his years of association with the System.

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Commissioner's Report

Commissioner Krause noted most matters have been covered that might have been included in the Commissioner's report. He expressed the hope information would be received soon on the budget recision from the Governor's budget office. An appropriate response to that information will have to be prepared as soon as it is received.

Chairman Lind reported briefly on the actions taken by the Planning Committee in its meeting earlier today.

The Council of Presidents had no report.

Chairman Lind instructed an opportunity be added to the regular agenda to include a report from the Center Directors.

Superintendent of Public Instruction Nancy Keenan was asked to speak on behalf of her office. Chairman Lind stated the Board's appreciation to her for her willingness to participate in the Regents' meetings. Superintendent Keenan noted she had a detailed analysis and summary of HB 28 which is the school equalization bill presently awaiting the Governor's signature. She briefly summarized the major issues in the bill, particularly the tax policies which have implications for University System units. The bill basically adopts the foundation schedules for public schools at approximately \$67 million higher than the 1989 schedules. It provides state dollars for a portion of the permissive and retirement levies, taking effect in 1990-91. That financial increase is supported by mandatory statewide mill levy, a 5 percent surtax on individual and corporate income taxes in 1990, a

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reallocation of coal, lottery, and income tax revenue. The bill does repeal net and gross proceeds tax increases on coal, oil, natural gas, and provides in its place a severance tax. Other tax implications were also reviewed, as were the implications to the six mill levy for the University System. Superintendent Keenan concluded the bill does not solve all the problems of equalization. Without doubt, in two years the problems will again have to be addressed by the legislative assembly.

The Faculty Association, and the Montana Associated Students had no report.

Chairman Lind instructed the Board Secretary to place election of officers on the agenda at the September meeting.

Presidential and Commissioner Salary Item

Chairman Lind stated an addition to the agenda would be considered at this time relating to salary increases for presidents of the System, and the Commissioner.

Regent Hurwitz moved salaries for the presidents of the University System units and the Commissioner for 1989-90 be approved as follows:

President Tietz, MSU	\$79,100
President Koch, UM	\$78,850
President Carpenter, EMC	\$68,200
President Norman, Mont Tech	\$70,200
Commissioner Krause	\$79,200

The motion carried unanimously.

Regular Agenda

On motion of Regent Clouse, the following items were approved each with addendum as indicated attached to and made a part of these minutes:

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- Item 64-100-R0889, Staff; University of Montana
(with addendum)
Corrections to 1989-90 Faculty Roster
(Submitted for information purposes only)
- Item 64-200-R0889, Staff; Montana State University
(with addendum)
- Item 64-300-R0889, Staff; Agricultural Experiment Station
(with addendum)
- Item 64-400-R0889, Staff; Cooperative Extension Service
(with addendum)
- Item 64-500-R0889, Staff; Montana College of Mineral Science
and Technology
- Item 65-500A-R0889, Staff; Montana Bureau of Mines and Geology
- Item 64-600-R0889, Staff; Western Montana College of the
University of Montana
(with addendum)
- Item 64-700-R0889, Staff; Eastern Montana College
(with addendum)
- Item 64-710-R0889, Degrees; Eastern Montana College
- Item 64-800-R0889, Staff; Northern Montana College
(with addendum)
- Item 64-810-R0889, Certificates and Degrees; Northern Montana
College

Additions to Agenda:

- Item 64-900-R0889, Staff, Office of Commissioner of Higher
Education
- Item 64-001-R0889, Professional Development Leave; Montana
University System

The meeting adjourned at 3:15 p.m. The next regularly scheduled meeting of the Board of Regents will be held on September 14-15, 1989, in Helena, Montana.

