

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

DATE: July 30-31, 1990

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

REGENTS Mathers, Redlin, Schwanke, Topel, Kaze,
PRESENT: Johnson
Acting Commissioner of Higher Education John M.
Hutchinson

REGENTS Musgrove (7/30/90 a.m.)
ABSENT:

PRESIDENTS Carpenter, Norman, Tietz, Daehling
PRESENT: Acting President Donald Habbe, UM
Dean of Faculty Keith Parker, WMC of the U of M for
Provost Easton

PRESIDENTS None
ABSENT:

Minutes of Monday, July 30, 1990

Evaluation of President Lindsay Norman, Montana Tech

Accompanying President Norman in the evaluation process were Vice President David Toppen and Vice President for Administration and Student Affairs John Hintz.

President Norman briefly reviewed the goal/objective material submitted to the Regents with the agenda materials (on file). The outline of strategic

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goals/objectives/tactics was explained to be the document, developed with faculty, staff, and student ownership built into the process, that would continue and enhance the global excellence and reputation of Montana Tech. The goals in this document are long-term, intended to answer the question "what is the plan for Montana Tech for the year 2000"?

The "FY 1990 Tactical Objectives" document contains incremental specific project-oriented goals in the areas of academic affairs, student/administrative affairs, and development which support the longer-term goals leading to Tech's realization of its goals for the year 2000. In academic affairs these include accreditation, international relationships, and improved communication from all campus constituencies. In student affairs, fiscal management is a primary concern. This includes clean audits, management of a budget consumed almost entirely by fixed costs, state mandated expenditures, etc. President Norman explained he views fiscal management as one of his primary tasks. Where costs cannot be cut, every effort is made to contain them. In the development objectives, realism is necessary, but there are innovative objectives in the document, and they are equal in importance to academic affairs and student affairs.

President Norman reviewed the 1990 operating highlights against objectives contained in the handout. He summarized by stating he believed the progress against objectives in the past year was "o.k. - not exceptional, but o.k."

President Norman reported Tech is awaiting a final report from the ABET accreditation visiting team. The entire engineering program may be put on show cause, but if that occurs it will occur because the faculty are overworked, underpaid, and the amount of resources allocated to the library, equipment, etc., are not adequate to insure the long-term continued strength of the program.

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President Norman discussed curriculum objectives, the improved inter-unit cooperation existing in the System which it is hoped will facilitate offerings in Butte which are not available at Tech, international exchange efforts, and faculty affairs. Failure to obtain merit pay for Tech faculty was a disappointment. Vacancies are difficult to fill, but Tech has done fairly well considering the uncompetitive salaries it is able to offer. He urged the Regents to continue their efforts at improvement in the area of faculty pay. Research and graduate school objectives have mostly been met. Retention and enrollment efforts have been extremely successful.

Tech is beginning to recover from loss of Canadian and Chinese students and removal of the business program. Tech is looking at a 20+% increase in admissions for Fall 1990. The merger evaluation report on feasibility of merger between Tech and the Butte Vocational-Technical Center should come forward within the next few months. Admission and recruitment efforts appear to be having positive results. In all, the texture of the campus is returning to what it used to be with 53% of students in the mining/engineering schools. Fiscal management continues to be a source of pride, resulting among other things in the cleanest audits of any unit in the System for the last three years.

After elaborating on increased alumni giving, improved financial aid services, and other subjects, President Norman concluded by discussing the financial/staff salary inequities which he considers a personal and campus failure, and the crucial need to obtain full formula funding and increased discretion on allocation of resources. Because enrollments are going up, and funding is based on the previous two year's enrollment, President Norman stated he will probably have to ask the Board for some transition money in the next biennium. Physical plant deterioration is an additional serious concern.

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At President Norman's request, Vice President Toppen presented the results of a recent faculty survey conducted on campus. The survey requested faculty assessment of the administration, Board of Regents, etc., which allowed measurement of Tech's faculty's responses to various questions against a very large national data base. In addition it provided measurement of Tech's faculty against the national average in wide ranging areas such as tenure, job satisfaction, fringe benefit, teaching load, etc. Tech's faculty "blew off the scale" in its belief that their students are superior in intelligence and attitude. Overall, the survey was an effective tool to learn faculty attitudes, and might be of similar benefit to other campuses in the System.

Next President Norman requested Mr. Hintz to speak on the results of the survey of student attitudes. Overwhelmingly they appreciate and value the quality and helpful nature of the faculty and staff. Students are quite pleased with the instruction they receive, the mentor relationship with the faculty; they like placement as a student service program. Not all individual comments are positive, but overall Tech students become loyal alumni because their campus experience has been exceptional.

Speaking next to key objectives for 1991, President Norman stated these are limited only by resources available. The fiscal controls and productivity of the campus will continue at its high level. Institutionally, some of the broad goals are to further enhance Tech's image and to maintain quality. It is hoped Alumni involvement will increase, and international exchange agreements will be brought to fruition. Tech supports the new unified governance system, and believes it will lead to a stronger System overall. Tech seeks growth but not expansion - growth within its role and scope, but this is seriously constrained by fiscal restraints.

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Responding to Regents' questions, President Norman elaborated on Tech's fallback position if it does have increased enrollment and does not receive additional funding. Among other things, this will require increased utilization of part time faculty, and increased reliance on private outside sources. Budgeting is being done on a "worst case" scenario.

President Norman was complimented on the mention of esthetics and culture in the institutional statement, and special commendation was given for the mention of ethics which is not ordinarily verbalized in such statements.

Acting Commissioner Hutchinson commended President Norman and his administrative team, noting it is well recognized that Tech is a well managed institution. The clean audits and solid fiscal management certainly speaks to that. Tech has a good long range planning document, and Dr. Hutchinson echoed President Norman's statements regarding the reactivity and support given by the Tech administration to the office of the Commissioner. It is appreciated.

Hearing no further discussion, Chairman Mathers stated that the Board is now going to deal with matters that relate to the individual privacy of Dr. Norman. In the Chairman's opinion, the demands of his individual privacy clearly exceed the merits of public disclosure and, in the absence of a waiver, the meeting will be closed.

President Norman declined the waiver, and the remainder of his evaluation was conducted in executive session.

Concurrent Committee Meetings

The Board of Regents reconvened from 1:00 p.m. to 3:00 p.m. in concurrent meetings of the Administrative, Academic Affairs, and Budget Committees.

Evaluation of President Bruce Carpenter; Eastern Montana College

Chairman Mathers called the meeting to order at

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3:10 p.m. for the evaluation of President Bruce Carpenter, Eastern Montana College. All Regents were present.

President Carpenter distributed notebooks containing various information (on file) related to the evaluation process, including his personal goals and objectives for 1989-1990, role and scope, NCATE and NASM material, fact book and 1990-91 personal objectives. He reported most of the material requested for the extended review of the role and scope of EMC has been gathered. He mentioned also his on-going concern regarding the lack of research support in EMC's budget. Historically EMC has generated the third-largest amount from grants and contracts of the units in the System. Without adding money to the budget, there should be a way to add some component to EMC's budget for research. Unless otherwise instructed, President Carpenter stated he would like to pursue this further with Acting Commissioner Hutchinson so that these activities of the faculty at EMC will receive recognition.

President Carpenter outlined the actions taken to meet his personal goals and objectives for the previous year in preparation for the 1991 legislative session, and the status of the study to explore development of closer ties between the College and the Billings Vo-Tech Center. After a difficult year of negotiation, EMC has achieved a positive collective bargaining contract with the faculty.

Dr. Carpenter spoke at some length on EMC's efforts to achieve full accreditation from both the National Council for the Accreditation of Teacher Education and the State. Additional information on that topic was contained in the information distributed at this meeting (on file). Of particular concern is the letter from the Board of Public Education evidencing, in EMC's opinion, some confusion on the

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status of NCATE's accreditation of Eastern's teacher education programs. A meeting date has been set for further discussion of this issue on August 10, 1990. The Board will be kept informed.

Concluding review of attainment of his personal goals and objectives for the past year, President Carpenter noted EMC does continue to attract and retain quality students, faculty and staff; community involvement is strong; and private support for the College continues to increase substantially. President Carpenter noted he did teach a class in general biology in the Fall term, but probably will not be able to do that this fall because of the scheduled presidential tour.

Continuing review of the materials distributed, President Carpenter discussed the continuation of the accreditation of Eastern's music programs by the National Association of Schools of Music. Included in that discussion was a strong plea for increased funding for libraries. He noted that all accrediting agencies at all institutions in the System report problems in the libraries. Increased private funds and reallocation of internal resources will be explored, but increased state support is essential. President Carpenter also reported on the high quality student body Eastern is still able to attract, and the continuing, increasing problem of attracting and retaining quality faculty. Also reviewed was the Eastern Montana College Factbook, prepared by the Office of Institutional Planning. The Factbook is the first attempt to produce a single data source of information concerning EMC. The book provides answers to commonly asked questions concerning faculty, students, alumni and financial details.

President Carpenter reported on the many positive changes on Eastern's campus, including the hiring of Dr. Whipple, Vice President for Student Affairs. Dr. Whipple has

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successfully implemented enumerable changes which positively impact areas of student life. Eastern is the first College in the area to uncouple room rent on campus from the mandatory food plan. Successful negotiation of the faculty collective bargaining contract was discussed, as was expansion of the computer services for students and faculty, development of a grants and development office. Summer session enrollments appear to be up, as are indicators for fall enrollment. The computerization of the enrollment process makes enrollment extremely accessible.

At the conclusion of Dr. Carpenter's report, Acting Commissioner Hutchinson spoke to the in-depth review of Eastern's role and scope now in progress. He noted it was begun some time ago, and felt it was important that the Board reaffirm its intent to continue that review. The original intent was to try to achieve a look at Eastern's community and region, and the people served to determine if the programmatic needs of the population not only of Yellowstone County but also those in outlying areas in eastern Montana were being met within the ability of the College to do so professionally and financially. Eastern's present role and scope does not allow the flexibility to pursue some of the more innovative methods of meeting those needs.

In discussion, it was agreed there was no predetermined outcome anticipated from the review, but that it should be continued under the guidelines provided. The suspicion still exists that Eastern has the least well-configured role and scope of any unit in the System, and the original reasons for conducting the review are still sound. It was the consensus of the Board that the review should continue, and be concluded in as timely a fashion as possible. The report should be brought to the Regents no later than the Fall 1991 workshop.

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President Carpenter concluded his report to the Board by summarizing his personal goals and objectives for 1990-91, and responding to Regents' questions.

Hearing no further discussion, Chairman Mathers stated the Board is now going to deal with matters that relate to the individual privacy of Dr. Carpenter. In the Chairman's opinion, the demands of his individual privacy clearly exceed the merits of public disclosure and, in the absence of a waiver, the meeting will be closed.

President Carpenter declined the waiver, and the remainder of his evaluation was conducted in executive session.

Minutes of Tuesday, July 31, 1990

Chairman Mathers called the meeting to order at 9:05 a.m. with the same members present.

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. None were stated, and the minutes of the June 14-15, 1990 meeting were ordered approved.

Committee Reports

Budget Committee

Regent Topel, Chairman of the Budget Committee, reported there were seven items on the committee agenda, and all are recommended for approval.

Regent Topel reviewed discussion held on Item 68-3001-R0790, Tuition and Fees; FY 1990; Flathead Valley Community College. The Committee was concerned with the disparity in the percentage of increase between in-state and out-of-state students (52% out-of-state; 10% in-state). The increases were approved by the Flathead Valley Community College Board of Trustees. President Fryett reported there had

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been a previous 30% decrease in out-of-state tuition in an attempt to attract out-of-state students. That proved not to be successful. Students attending FVCC do so for reasons other than low tuition; the requested increases bring FVCC in line with tuitions charged at the other community colleges in the state.

On motion of Regent Topel, Item 68-3001- R0790 was approved.

Regent Topel next presented Item 68-003-R0790, Program Transfers; Fiscal Year 1991; Appropriations - H.B. 100, H.B. 786; Regent Approved Operating Budgets; Montana University System. He explained this item requests authorization for program and appropriation transfers for the University of Montana, Western Montana College of the U of M, and Northern Montana College. The transfers are needed to adjust the FY 91 approved operating budgets to meet planned expenditure needs of the three campuses. Approval of these transfers is needed before consideration of the units 1990-91 operating budgets.

Responding to questions of the Board, Regent Topel explained the University of Montana program transfer transfers \$1,181,501 from instruction and \$107,372 from physical plant to research, public service, and support. The majority of the transfer is to the area of support. Budget Committee members were concerned with the decrease in instruction. Neither of the transfers are desirable, but are "the lesser of evils." The University of Montana believes it does not have sufficient faculty; however, it is locked into contractual payments for support staff and those have to be met.

The transfer of funds from the physical plant is particularly painful in that once removed, it is not put back into the base. UM assured the Committee these transfers are the only options available to meet its contractual obligations.

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Provost Donald Habbe, UM, concurred with Regent Topel's summation. Speaking historically, he stated he could not remember another time when the University moved money out of the instruction program to other areas. It always put more money into instruction. This outcome does not reflect institutional priorities, but rather a couple of aberrations working together, and the need to make a particular budget work. He referenced the number of pay plan increases mandated in the last legislative session for classified and support personnel, physical plant personnel, and some positions in the academic support programs which were either not funded, or only partially funded. The University of Montana also faces the situation of having 500 - 700 FTE students not counted in the calculation which built this budget. Temporary staffing has to be funded somehow for the next year. The University hopes an appropriate ratio will be developed in the coming legislative session to meet these needs. Such transfers are not to be perceived as a pattern the University ever hopes to repeat.

Regent Redlin noted that no one should find requests such as the ones contained in the item before the Board too unusual or surprising. It would be unrealistic to expect any budget built two full years in advance to be adhered to "to the dollar."

Regent Topel explained the program transfer at Northern transfers \$22,981 from instruction to public service and support; Western requests transfer of \$136,177 from physical plant to be reallocated to instruction and support. Again, a very real concern arises when these dollars are transferred out of physical plant because of the near impossibility of getting the dollars put back into the budget. Both NMC and WMC, however, face situations not identical but similar to that explained at the University - contractual

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obligations for payments for which no other revenues are available.

Hearing no further discussion, on motion of Regent Topel, Item 68-003-R0790 was approved.

Item 68-002-R0790, Operating Budgets 1990-91; Montana University System was presented by Regent Topel. He noted each member of the Board had received the comprehensive document comprising the item, and the budget was reviewed by the Budget Committee. It is recommended for approval. Regent Topel called for questions on the item. Hearing none, he moved the item be approved. The motion carried.

Item 68-7001-R0790, Operating Budgets 1990-91; Montana Vocational Technical Centers, was similarly reviewed by Regent Topel. In the aggregate, the vo-techs are requesting an increase in unrestricted operating funds from \$16,417,000 to \$16,571,000, which is a .9% increase. After brief discussion, on motion of Regent Topel the item was approved.

Item 68-1001-R0790, Operating Budgets 1990-91; Montana Community College was presented next. The budget requests an increase in unrestricted operating funds from \$7,101,000 to \$7,167,000 - a .9% increase. As with the other operating budgets, all backup information is contained in the booklet distributed. After brief discussion, on motion of Regent Topel the item was approved.

After brief review of Committee discussion and purpose of the budget amendments, on motion of Regent Topel the following two items on the Budget Committee Agenda were approved:

Item 68-901-R0790, Budget Amendment; Talent Search Program FY 91 (\$50,000); Commissioner of Higher Education, and

Item 68-7002-R0790, Budget Amendment; Vo-Tech Administration; Sex Equity (\$32,000); Commissioner of Higher Education.

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Regent Topel reported that while the above actions concluded the formal agenda of the Budget Committee, the committee spent some time in discussion of the future direction of the committee. He stated his understanding of the new committee structure is that the committees are delegated fairly broad powers subject to ultimate ratification by the full Board. Regent Topel stated he believed each of the committees has the right and duty to go beyond the set agenda items and determine short and long term goals in the areas assigned to the committees. The full Board would receive a report at each meeting of the development and implementation of these goals and can endorse or reject proposals as it deems appropriate.

If that understanding is acceptable, the Budget Committee will embark on short and long term objectives to find ways to better utilize the dollars available and better operate as a System. It is the committee's hope and expectation that it will receive the same cooperation from staff of the Commissioner's office and all institutions of the System that the full Board would receive.

President Tietz commented from the campus perspective. He noted the committee membership is not comprised of the chief executive officers of the units, but rather of the chief fiscal officers. With all due respect to those highly competent individuals, the kinds of things that happen when policy is developed for the spending of dollars or improving efficiency have ways of rolling back to the campus. He encouraged the Board to approach very cautiously the endorsement of areas the individual committees will be involved in, and just how much management the committees should have on each individual campus, particularly in the distribution of dollars and direction on how the campuses will spend those dollars. Such policy development should certainly include

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discussions on the campuses before policy recommendations are made by the committees to the full Board. The committee structure is new, and guidelines should be very clear to all participants on how the System will operate under the new structure.

Regent Topel stated there was no intent to usurp the Board's authority, nor to obstruct appropriate input in policy development. The goal is rather to provide two opportunities for campus input - in committee, and before the full Board when reports are made.

Administrative Committee Report

Regent Redlin reported on recommendations and actions of the Administrative Committee.

Under capital construction, Item 63-601- R0790, Sale of Real Property; Western Montana College of the University of Montana, was recommended for approval. The property consists of a condemned residence and city lots located at 701 South Atlantic Street in Dillon. A copy of the appraisal is on file in the Commissioner's office. Regent Redlin moved the item be approved. The motion carried.

Two policy items were on the action agenda.

Regent Redlin reported Item 68-001-R0790, Paul Douglas Teacher Scholars, 1990-91; Montana University System requests approval of Christine Renae Longin, Polson High School, as the Paul Douglas Scholar for the 1990-91 academic year. The scholarships are funded with federal monies, and if requirements are met, the recipient receives funding for four years. The other nine students listed on the item, many of whom are seniors, have requested renewal of the awards for the 1990-91 academic year. Approval of the item would grant those renewals. On motion of Regent Redlin, the item was approved.

Item 18-005-R1077, Fee Waivers; Montana University

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System (Revised) was reviewed by the committee, amended further, and recommended for approval. The proposed revisions are on page 5 of the item, Section k., Faculty and Staff Fee Waiver. These changes are proposed in response to campus requests. The Administrative Committee also recommends section k be further amended to delete "shall" in the first line and insert "may". In line 4, following "discretion", insert "also". Regent Redlin moved the policy be approved as amended. The motion carried.

The committee also briefly discussed Regent Redlin's concerns on the clarity of the high school honor scholarship policy wording. Those concerns will be discussed at a meeting of the System's Registrars next week.

Discussion was also held on the probable need to develop a policy on fee waivers for the Western Undergraduate Exchange program. It was reported to the committee that the Commissioner is appointing an inter-institutional committee to study the issue of fee waivers, and WUE waivers should be part of that study.

Other Committee Matters

Regent Redlin reported the Administrative Committee recommended approval of the request of Dawson Community College to participate in the Montana University System Group Insurance Plan. The request was approved by the College's Board of Trustees, and would add approximately 50 members to the MUS plan. It was determined that FVCC and MCC are not seeking membership at this time, but are eligible to do so in the future if they so desire. The action would be accomplished by an inter-local agreement approved by the College's Board of Trustees and the Board of Regents. An opinion will also be solicited from the Attorney General. When those documents are completed, the matter will be brought to the Board for formal approval. No further action is required at this time.

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Regent Redlin reported discussion was held by the committee on the report on Vision 2000 "Expanding Research and Educational Opportunities in the Great Falls Area." Acting Commissioner Hutchinson received a formal request from the Vision 2000 committee to seek Board approval to appoint a task force to evaluate higher education needs in the Great Falls area, and make recommendations of possible systems to meet these unmet needs. Funds for this endeavor would be raised locally in Great Falls. No state funds would be requested for the study. The suggested timeline for completion of the study of November 1, 1990 was questioned, and it was agreed there could be no guarantee that recommendations of the task force would be implemented.

Acting Commissioner Hutchinson noted further this is envisioned as a partnership between the public and private sector. The office of Commissioner of Higher Education will coordinate the study; the exact membership of the study committee has not been determined, but will consist of community leaders from Great Falls, administrators from the campuses involved, and outside consultants. There is no agenda or incentive to exclude the College of Great Falls or any other private institution that may be serving Great Falls at the present time. A report with recommendations will be brought back to the full Board for comment and action.

On motion of Regent Redlin, the Commissioner's office was authorized to proceed with organization of the study committee as outlined in the discussion.

At Regent Redlin's request, Deputy Commissioner Toppen reviewed the discussion held in committee on establishment of a Montana Science Advisory Council. The purpose is to provide coordination of research activities in public and private enterprise, and in federal laboratories.

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Members of the Council would be appointed jointly by the Governor and the Board of Regents. The Montana Science Council would be established through Executive Order by the Governor. In the interim, the Board of Regents are asked to endorse the formation of the Board in concept, and charge the Office of the Commissioner of Higher Education, working with the Department of Commerce, to draft a plan for establishment of the state science council.

The entire function is to enhance Montana's research capabilities, and is not intended to interfere in any way with individual units or other operations involved in research, science and engineering technology across the state. The primary aim is establishment of a state-wide Council that has been mandated by the National Science Foundation as a requirement for continued involvement of the State of Montana in the federally funded Experimental Program to Stimulate Competitive Research (EPSCOR). More detailed information was provided to the Administrative Committee with the agenda materials under cover of the memorandum from the Montana Science & Technology Alliance dated June 22, 1990 (on file).

Support in the Committee for the proposal was voiced by Dr. Keith Parker, Western Montana College, on behalf of the Montana Academy of Science. Provost Habbe, U of M, also spoke in support of the concept, but cautioned Regents should maintain control of the direction of science and research in the state. President Daehling, NMC, urged representation of undergraduate research institutions on the Council should not be overlooked.

On motion of Regent Redlin, the Commissioner's office was authorized to work with the Department of Commerce to establish the Montana Science Advisory Council through Executive Order of the Governor.

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Regent Redlin reported the Administrative Committee received a draft document of proposed general legislative guidelines (on file) for legislative relations in the 1991 Legislative Session. The guidelines are promulgated to establish the intent of the Commissioner and Board of Regents to reconfigure the approach of postsecondary education to legislative relations during the next session. The approach is to be that of a unified system with the Commissioner as principal spokesman and coordinator of interactions with the legislature. In addition, before the legislative session begins, the Chairman of the Board of Regents and the Commissioner will visit key legislative leaders across the state, and in early fall, the presidents and the Commissioner will tour the state to meet with community leaders, legislative candidates, and other interested parties to discuss the System's priorities in the coming legislative session.

Chairman Mathers elaborated on the committee's discussion on legislative guidelines. Various units are encouraged to meet with local delegations. These meetings should include a representative from the Commissioner's office and local Regents. The entire thrust is to reinforce that the legislative effort is a System effort. Coordination of all legislative appearances and testimony through the Commissioner's office is essential, but campus expertise and assistance is also essential. The vocational-technical centers are an integral part of the System, and their assistance will be needed and encouraged as part of the coordinated effort.

There was recognition of the differing status of the community colleges in the committee's discussion. Coordination through the Commissioner's office of those colleges' legislative efforts is certainly encouraged.

Campus representatives to assist the Commissioner's

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staff will be solicited, and student involvement will be encouraged under the guidelines proposed. A successful legislative endeavor will require cooperation of all units, vo-tech centers, community college representatives, Regents and Commissioner's staff.

As an addition to the Administrative Committee Agenda, Regent Redlin reported a request had been made that Montana State University submit separate budgets to the Budget Committee and the Commissioner's office for KUSM and the Museum of the Rockies. The requests are for informational purposes only with no intention to imply change in configuration or relationship with MSU. President Tietz responded those will be submitted at a meeting in early fall 1990.

Academic Affairs Committee Report

Regent Kaze, Chairman of the Committee, reported the committee modified its agenda to include an opportunity for announcements at the beginning of each meeting. This will keep the Regents and others informed of activities of an academic nature on all of the campuses.

Under announcements, Regent Kaze reported on:

A pamphlet published by the Great Falls Vocational-Technical Center on academic access. It is well done, and could be utilized by other units as a model.

An offering from Switzerland of museum display material correlating common threads that run between the constitution of Switzerland and that of the United States. Information on the offering has been sent to the Academic Vice Presidents of the units.

An inquiry from South Dakota on whether work is being done in Montana higher education on curricular development in literacy development.

Introduction of the new student Regent, Mr. Brad

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Musgrove, Montana State University, newest member of the Board of Regents and the Academic Affairs Committee.

Under old business, Regent Kaze requested that minutes of committee meetings be sent to the committee members with agenda materials. This would be particularly helpful in coordinating on-going projects and activities of the committees.

The Academic Affairs Committee received an update on the report made by Deputy Commissioner Vardemann on transferability and accessibility and how the vocational-technical centers fit into the transferability issue. A task force has been formed to study these issues. It is anticipated a report with recommendations will be brought forward at the January 1991 meeting. A copy of the "Alberta Transfer Guide" is available. The document sets out in very lucid style the manner in which certain programmatic offerings transfer among a variety of institutions in the province of Alberta. The Academic Affairs Committee is suggesting to the full Board that might be a longer term goal for the System as part of its core curriculum discussions.

Regent Kaze distributed draft forms that are in the process of development to implement the "Notice of Intent" to bring forward academic programs. Staff is developing procedures for implementation. More detail will be presented at the September 1990 meeting.

Submission Agenda

Regent Kaze reported the following items were received by the committee for consideration at the October 1990 meeting. The items will be discussed in detail when they are on the action agenda.

Item 68-207-R0790,

Authorization to Change the Name of the Bachelor of Science in Mechanized Agriculture to the Bachelor of Science in Agricultural Operations Technology; Montana State University

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- Item 68-208-R0790, Authorization to Discontinue the Communication Disorders/Hearing Impairment Option of the Degree of Bachelor of Arts in Speech Communication; Montana State University
- Item 68-209-R0790, Authorization to offer an undergraduate minor in Women's Studies; Montana State University
- Item 68-9001-R0790, Approval for Conversion of Two-Year Certificate Program in Industrial Electronics to an Associate of Applied Science Degree in Industrial Electronics; Helena Vocational- Technical Center
- Item 68-8001-R0790, Approval to Convert a Two Year Certificate to an Associate of Applied Science Degree in Civil Engineering Technology with an Option in Civil Engineering Design and Drafting Technology; Butte Vocational-Technical Center

The following two items were received as additions to the Academic Affairs Committee submission agenda for consideration at the October 1990 meeting:

- Item 68-701-R0790, Authorization to Reorganize the School of Education; Eastern Montana College
- Item 68-802-R0790, Approval of Minor in Applied Agriculture, Non-Teaching; Northern Montana College

Regent Kaze reported the committee discussed the effect funding competition on the individual campuses has on the review process of new programs. This discussion underlined the importance of the Notice of Intent procedure which would provide opportunity to deflect inappropriate offerings at the campus level and at the level of the Commissioner's office.

The committee also discussed the transferability issue briefly because of the number of requests coming forward to convert certificate programs at the vo-tech centers to applied associate degrees. There will continue to be misconceptions as to what constitutes an AAS despite the very good report given by Deputy Commissioner Vardemann at the last

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meeting. Transferability is and will continue to be an issue at the vo-techs, particularly among the students at those centers. It is important to note, however, that mandatory accreditation standards at the receiving institutions suggest there may be some very real problems at least initially with transfer of vo-tech courses to the receiving institutions. Care needs to be taken not to jeopardize accreditation of programs.

Action Agenda

Regent Kaze reviewed committee discussion on the following items:

Item 67-101-R0490, New Minor Degree Designation for Wilderness Studies; University of Montana. The course offerings within the new minor degree are already existing courses. The item provides students the opportunity to gather an additional credential in wilderness studies. The new course to be offered will substitute for an existing course; at the time of the semester transition another new course will be added to substitute for an existing course. Chairman Mathers called for questions or comments. Hearing none, on motion of Regent Kaze, the item was approved.

Item 68-201-R0490, Authorization for the Institute for Biological and Chemical Process Analysis (IPA) to change Official Name to the Center for Interfacial Microbial Process Engineering; Montana State University. The change in name is requested by the sponsoring grantor. The committee recommends approval. Hearing no discussion, Regent Kaze moved the item be approved. The motion carried.

Item 67-202-R0490, Authorization to Establish a Center for High-Elevation Studies; Montana State University
Regent Kaze reported this item generated considerable discussion. The committee was informed the Center designation

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for high elevation studies is not for purposes of degree offerings. Rather, its purpose is to serve graduate students in their individualized study areas. Examples were given.

Discussion centered on two areas of concern to the committee. The first is that the Center is proposed to be funded by a \$300,000 grant from the Pew Charitable Trust which is in place, retroactive to January 1, 1990. Committee concern centered on being asked to review a process for approval which the committee is asked to make retroactively effective to January 1, 1990. Regent Kaze noted he expressed his displeasure with being presented with this six months after the fact. Vice President Malone explained to the committee it was not MSU's intention to bring forward an after-the-fact action. Rather, the institution believed it appropriate to get the funding in place, and then request Board approval. The committee suggests to all units that in such circumstances in the future the Board be notified that funding is being sought, and the intent exists to bring forward a request for approval of a programmatic offering or center. The Notice of Intent procedure should address some of the committee's concerns when implemented.

The second issue was the extent to which the campus is committing resources to the Center. Two faculty lines and \$40,000 per year for each year of the grant period will be dedicated to the Center to "meet the grant match requirements." The committee felt MSU continues to have rather grand financial problems in many areas, as do all units of the System. Dr. Malone and MSU are committing a reallocation to this Center which is believed by the institution to be viable, and will bring new dollars to the institution. While the \$40,000 per year amount may seem negligible, it does mean "belt tightening" in some other area because of the existing financial conditions.

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Regent Kaze concluded the item is reported without consensus by the committee members. However, he moved the item be approved for three years (retroactively to January 1, 1990 and through December 31, 1992). During the last quarter of 1992 Montana State University should bring forward a report to the Budget Committee that demonstrates the activities of the Center have become self-supporting and that it has established a viable array of research and instruction programs that fit within the role and scope of the institution and the intent of the Regents in establishing the Center.

At Regent Kaze's request, Acting Deputy Commissioner Toppen spoke to the motion to approve with caveat. He noted there are three issues: (1) The academic and research content of the proposal which he believed to be exceptional. It is a meritorious proposal and important for the state of Montana and MSU. (2) The second issue is funding, which Regent Kaze spoke to, and on which President Tietz will be asked to comment. (3) The issue of timing. In dealing with such proposals it is important that Commissioner's staff and the Regents have advance warning when proposals of this magnitude are anticipated to be brought forward.

Dr. Toppen stated his recommendation on this item parallels that of Regent Kaze; that it be approved with the restrictive caveat regarding the mandated report at the end of the grant period. The other issues are ones which the Regents need to be aware of, but he would not want those issues to overshadow the true merit of this particular proposal.

President Tietz responded to Regents questions and provided additional comment. He noted his regret that he did not have opportunity to provide input to the curricular discussion in the Academic Affairs Committee. Montana State University has been contemplating mechanisms to pull various

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resources together for many years to discuss and research issues having to do with high elevation environment ecology, including economics, political science, the science itself, engineering problems, and development. Under the direction and inspiration of Dr. Kathy Hanson Bristow a group of people were assembled internationally some three years ago and spoke of the opportunity for an institution such as Montana State University in its peculiar relationship with the mountains and high elevations to engage in an overall program of these kinds of studies. Although this Center is directed now to the future, the core is an institutional commitment that will be part of the reorganization of the agricultural curriculum in terms of resource management; the science programs in the College of Letters and Science; in engineering, political science, and economics. The Center designation evolves in anticipation of the fact that MSU will be dealing with people who have this kind of interest. President Tietz expressed his deep concern at the committee's expression this is a retrospective issue. The support for this program, as with any other research center, was sought because others recommended it and it all came together at one time. MSU then felt it was appropriate to recommend it as a Center. The whole philosophy of high elevation studies pervades much of Montana State University. This is the beginning of the collation that has an undergraduate component, a graduate component, certainly a research component, and definitely a service component. As these matters are contemplated at any institution there is a "chicken/egg" issue - when do you decide you have developed enough of a research base to apply for a Center. Individual faculty members who are entrepreneurs are constantly looking to develop new areas - are trying continually to change the curriculum and the thrust of the institution to keep pace with

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what is happening in the total environment. President Tietz stated he believed that is a function of MSU and of its future activities. MSU is certainly willing to participate in the anticipatory kinds of discussions suggested as it moves forward. There was no intent to subvert any of the processes. This proposal has not only regional, but international participation because of the international interest in all elements of high elevation ecology.

Speaking to reallocation, President Tietz stated that is done all the time. It was identified because the Pew Foundation Grant requested a specific statement relative to the resources MSU was willing to commit. The two FTE's may not be two people - it may be ten people that have pieces associated with the endeavor. A large part of the dollars will come from the indirect cost monies recovered now under the 100% allocation and not from the operating budget that would normally go into classes. It does not mean that some reallocation might not occur in the College of Agriculture as a result of the development of the undergraduate curriculum. He spoke to the importance of the Board's understanding of what MSU is trying to do with high elevation studies as a steward of the natural resources of the intermountain area.

Regent Kaze concurred with President Tietz' statements on the value of the Center. The committee's concern was one of financial concern for Montana State University and included how MSU's commitment of reallocation of resources may grow over time if by nothing more than sheer inflation. There was no belief on the part of the committee that this was an effort to "back-door" the Board of Regents. But if there was ever a point where a Notice of Intent would have provided advance warning that such a proposal was being developed, this fits that criteria.

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The question was called on Regent Kaze's motion to approve Item 67-202-R0490 with caveat for report. Regent Johnson asked the report include projection of the Center's direction in the future.

Regent Redlin stated her agreement with what has been said regarding the need for prior notice. She is uncomfortable, however, with seeming to inject the Board of Regents in what appears to be an academic campus decision. The decision seems to have been made on an educational basis, coupled with an economic opportunity. She believed the campus was responsible in not asking for new money, but meeting the grant requirements by internal reallocation. While the Board may be concerned about political repercussions, the Board is in the business of education. If the professional administrators are satisfied this is a good educational move, then Regent Redlin believed the Board's part is to do as the committee has done - ask questions to satisfy the Board's need for details of the proposal - but not place itself in the position of saying to any campus "you can teach this course; you should not teach this one." The Board supervises, manages and controls the System; it does not teach.

Regent Topel questioned what would occur if the item before the Board did not pass, and if the Board decided at the end of the three year grant period not to continue the Center, to what extent would that jeopardize MSU's ability to obtain grant funds from the Pew Trust or other charitable organizations.

President Tietz responded the questions are good ones because it allows clear definition of exactly what is being discussed. MSU is asking for a Center designation; the grant is a research grant and has already been made. The commitment of the University is of appropriate dollars to have achieved that grant. At stake at this juncture is not the

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dollars the University has committed, but simply the Center designation. The final decision today would provide a structure that can be identified; the research grant is like any other research grant to a group of faculty members who have achieved a particular level of support through the University process.

The question was called on Regent Kaze's motion to approve Item 67202-R0490 with caveat. The motion carried.

Item 67-9501-R0490, Approval of Proposed Associate of Applied Science Degree in Commercial Maintenance Technology with a One-year Certificate in Facilities Maintenance; Missoula Vocational-Technical Center. Regent Kaze reported the proposal was well documented and well presented. The committee found adequate demand for the program at both the one and two-year levels; it is unique in the state; it is recommended for approval. Regent Johnson also commented on the excellent quality of vo-tech curricular presentations. After brief discussion on enrollment projections in the program, Regent Kaze moved the item be approved. The motion carried.

Regent Kaze reported the Regent members were not able to be present for the committee discussion on outcomes assessment because they were required to attend a presidential evaluation. A report on that discussion will be made to the full Board at a later meeting.

Regent Kaze asked that discussion of the possibility of a temporary moratorium on new program offerings at the six units of the University System be placed on the agenda of the full Board at the September 1990 meeting. The suggestion is made at this time to provide opportunity for input on the suggestion from the campuses. A similar moratorium on vo-tech curricular offerings is not being considered at this time because of their need to move very quickly to establish

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programs to meet specific needs. The Board concurred and Commissioner's staff was instructed to place a temporary moratorium on new program offerings at the six units on the agenda of the September meeting for discussion.

OLD BUSINESS

Presentation on Meeting with Postsecondary Education Study Committee

Dr. Hutchinson reported on a presentation he made to the legislative study committee. The study committee was studying three issues related to the University System: (1) lump sum appropriation, (2) corridor funding, and (3) vocational-technical funding. The thrust of the Commissioner's remarks to the committee were related to the issue of lump sum appropriation in response to the excellent report prepared by Fiscal Analyst Pam Joehler titled "Lump Sum Appropriation Policy." Dr. Hutchinson noted his remarks to the committee in no wise binds either the Regents or the Legislature, but were a series of possible ways the System could react to the lump sum appropriation policy report. In summary, Dr. Hutchinson stated he endorsed the idea of a lump sum appropriation because it would assist in the building of a System of higher education, and comports fully with the recommendations in the interim report released by the Education Commission for the Nineties and Beyond.

Dr. Hutchinson reported on his responses to various issues raised in the Joehler report on lump sum appropriation. In summary, Dr. Hutchinson suggested as a mechanism for assuring accountability for the lump sum appropriation a structure built around an enhanced post-secondary education study committee was suggested. The membership would be comprised of the legislative study committee, two Regents, and the Commissioner, with the LFA continuing the staff functions.

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The functions would be to develop a long range plan which would result in the following: provide a clear statement of goals by Regents/Commissioner each year; include an expression of legislative priorities; provide an annual report by Regents/Commissioner on successes/failures in meeting goals; and development of an outcomes assessment program on the campuses/centers with annual reports of campus performance.

Dr. Hutchinson concluded his sense of the committee's reaction to this proposal was positive and they wished to take it forward to a broader group of legislators for their comment. The committee reaffirmed its May action recommending a lump sum appropriation to the full Legislature with one dissenting vote.

Legislative Analyst Pam Joehler was asked to comment on the presentation and conclusions. She noted the only addition she had was that some representation from the Governor's Budget Office should also be on the expanded committee. She has been asked to take this proposal to the Legislative Finance Committee at a future meeting. The Commissioner will be informed of that meeting date, and will be invited to participate in the discussion.

Discussion was held on the proposal. Regent Redlin commented on the issue of joint pre-legislative session planning of the System's budget request. In essence, if the Legislature is afforded an opportunity to help formulate the System's plan or request, it then has a "double shot" in that it participates in formulation of the plan, and then, appropriately and properly, decides the outcome. Chairman Mathers responded his understanding is the Regents will remain the budgeting authority for the System; the intent is to create a better relationship with the Legislature and demonstrate their willingness to work cooperatively on the enormous

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problems facing both the System and the Legislature. What is proposed is a major change in the structure of higher ed funding; to do that, the System must have the support of the Legislature. That will best be accomplished through a committee structure such as that proposed by Commissioner Hutchinson. The Legislative membership of that committee will undoubtedly consist of its strongest members. However, Chairman Mathers noted that is as it should be; the Legislature is entitled to know how the System plans to spend money appropriated and what is accomplished.

In discussion, Regent Redlin cautioned that by bringing the budget proposal to the Legislature before the Legislative Session the Board would be obligated to pay particular attention to legislative recommendations. It seems possible that what the legislature would like to see happen is not necessarily what the policy makers for the education branch would like to see happen. Communication and accountability are fine; the Regents independence should not be compromised.

Acting Commissioner Hutchinson responded the Regents, with staff support, would make recommendations; take them to the suggested committee for discussion; but it would remain the Regents' prerogative to accept or reject recommendations. It is suggested as an avenue of communication.

Provost Habbe spoke to Regent Redlin's concerns, first commending the Acting Commissioner for his novel and fertile approach to the problems of communication and mutual understanding with the legislature. Without reservation, all would agree that for the System to be successful in the coming session it will require the cooperation of all parties - the legislature, the Board, and the support of the Governor. One potential problem, however, of the proposal as presented is that one priority of the Board is continuous. The Post

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Secondary Education Study Committee does not have appropriating responsibility within the legislature halls. Past experience would suggest that sub committees and the full Appropriations Committee are jealous of their ultimate power to appropriate. This creates an asymmetrical relationship in which the Board is in the beginning and the end of the process; it isn't totally clear that the study committee can speak for the full legislature on funding when that body, by its structure, has committees of its own which are the responsible bodies to perform that function.

Regent Kaze stated, while the comments heard are good, his understanding is the issue is communication, and this process may provide both bodies - the Regents and the Legislature - with an "early warning" of what situations will be presented. He had no particular reluctance to "show his cards," nor did he believe he gained a bargaining chip by not showing them. The proposal is an early warning communication tool, and should be viewed that way.

Regent Redlin responded that is a good illustration, noting she had no problem showing her cards, but didn't want anyone else playing her hand.

President Tietz asked that the ground rules be very clearly spelled out from the beginning of the process, if the Commissioner's plan is adopted. Both sides need to know those rules so no manipulation occurs to serve particular ends on either side.

Regent Topel urged the process of developing a methodology of allocation be begun as soon as possible. Other Regents concurred. The Commissioner was instructed to begin development of a lump sum allocation methodology working with presidents of the units, center directors, and Deputy Commissioners Noble and Vardemann.

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Long Range Building Program Priorities

William Lannan distributed and reviewed the prioritized list of long range building program requests (on file) requested by the Regents at the previous meeting. The requests are priorities in three categories: (1) "Must do" projects; (2) deferred maintenance, and (3) bonding program; which includes new construction and major remodeling. The recommendation also includes a separate category of "authorization only" projects. The prioritized list was developed by Commissioner's staff working with the Architecture and Engineering Division of the Department of Administration, campus presidents, center directors, and appropriate members of their staff. While it does not meet all desires of all parties, it is recommended to the Regents for approval by all constituent groups.

On motion of Regent Redlin, the prioritized list of Regent recommended Long Range Building Program recommendations was approved as submitted.

Acting Commissioner Hutchinson noted the System believes it has an obligation to propose financing for requested new construction projects, and will continue to pursue the zero coupon bond issue for that purpose.

Report on Montana University System Faculty Advisory Council Meeting (MUSFAC)

Acting Deputy Commissioner Toppen referenced the brief report on MUSFAC's May meeting given to the Regents at the last meeting. For the record, he noted MUSFAC is a loosely knit organization consisting of faculty representatives from each of the six units, existing for the purpose of communication, not negotiation.

Dr. Toppen referenced and reviewed the three page document sent with the agenda material titled "Statewide

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Faculty Advisory Council; Summary of Meetings - May 3 and 4, 1990" (on file). The document consists of a group of recommendations from MUSFAC from its May 3 meeting, and from an expanded MUSFAC meeting on May 4 which included representatives from community and tribal colleges.

Dr. Toppen reviewed the summary of topics discussed which contained recommendations of MUSFAC on each of the topics. Speaking to the recommendation on faculty input into evaluation of administrators at every level, Dr. Toppen noted that recommendation is not supported by the Commissioner's office for various reasons, including conflict with collective bargaining agreements on certain campuses. MUSFAC is also supportive of continuing its communication with the Board through the Deputy Commissioner's report.

Proposed Membership of Montana State University Presidential Search and Screening Committee

Dr. Hutchinson presented a proposed slate of members to comprise the presidential search and screening committee consisting of representatives from varied areas such as faculty, staff, deans, the MSU Foundation, community/state, classified and professional staff, and students. In addition, two Regents should be appointed to serve on the Committee. The Commissioner serves as an ex officio member.

Dr. Hutchinson stated those names on the proposed slate have agreed to serve if approved by the Regents. He also strongly urged selection of Vice President Jim Isch, MSU, as Chair of the Committee.

On motion of Regent Musgrove, the following membership of the Montana State University Presidential Search and Screening Committee was approved:

Vice President James Isch
Chairman

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Dean Clifford Shipp
College of Arts & Architecture
Montana State University

Dr. Max Amberson
Dean of Agriculture
Montana State University

Mr. Patrick Davison
MSU Foundation Representative
Payne Webber
Billings

Ms. Shirley M. Sedivy
MSU Alumni Representative
Bozeman

Ms. Karen Fenton
Community/State Representative
St. Ignatius

Mr. Ray Woodward
Community/State Representative
Bozeman

Dr. Virginia Hunt
Contract Professional Representative
Director of Womens' Athletics
Montana State University

Ms. Marlene Mazuranich
Classified Employees Representative
Administrative Assistant
President's Office
Montana State University

Faculty Representatives:

Professor Robert L. Brown
Civil/Ag Engineering Department
Montana State University

Professor Walter C. Fleming
Native American Studies
Montana State University

Ms. Marsha A. Goetting
Family Economics Specialist
Montana State University

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Professor Eric P. Grimsrud
Department of Chemistry
Montana State University

Dr. Ellen Kreigbaum
Professor of Physical Education
Department of Health, Physical Education & Recreation
Montana State University

Student Representatives:

Mariah Eastman
ASMSU President
Montana State University

Mr. Russell Acea
Bozeman, MT 59771

Regent Members

Chairman William Mathers
Regent Cordell Johnson

Ex Officio

Acting Commissioner John M. Hutchinson

NEW BUSINESS

Report on Museum of the Rockies

Chief Counsel LeRoy Schramm reported the issue is before the Board as a result of a recommendation made by the Legislative Auditor that the relationship between the Museum of the Rockies and Montana State University be clarified. While their interest was primarily in the area of accounting, the request raised other questions as to the relationship in the minds of Regents and others.

Chief Counsel Schramm reviewed the several page memorandum outlining the relationship and Regental obligations dated July 19, 1990 (on file) sent to the Regents with the agenda material.

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Summarizing, Dr. Schramm's memorandum concluded the Museum of the Rockies has been clearly linked to and supported in part with University funds for almost three decades. Since the initial Regents action in 1966 the commitment has increased incrementally each year. The Regents decision in 1985 to pledge University revenues as security for the Museum building bonds gives the University a much larger financial stake in the welfare of the Museum than had previously existed. The option to sever relations with the Museum no longer exists as a practical possibility.

The relationship between the Museum and MSU was not detailed in a comprehensive written document until September 1989. The contract entered into at that time formalized the already existing relationship and in some areas went well beyond any obligation directly or impliedly derived from the 1966 resolution. Dr. Schramm noted this contract was not brought to the Board of Regents for approval, and in his opinion probably should have been. The oversight of the lease not being signed that contains the pledge of the endowment should be corrected, and Dr. Schramm stated he has been assured it will be.

Whether or not the Legislative Auditor will be satisfied by the actions taken will only be learned over time. MSU has responded to that.

Dr. Schramm concluded the major policy issue remains whether the Board wishes the Museum to become a self-sustaining entity, or whether the Regents wish to continue University support. This is more of a possibility now than at any other time because of the new building, attendance records, and other factors. The level of University support for the Museum involves value judgments about the value of the Museum to the educational mission of the University.

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Dr. Schramm responded to Regents' questions on Regental obligations under the 1989 contract. President Tietz clarified further that the facility belongs to MSU, as does the land. These have been leased to a corporation which operates the museum. The expansion of the Museum was endorsed by the University, the Regents, and the Legislature in 1985. The position of the Museum has been explained many times to the legislature, but each time it comes up in specific committees, and is discussed in detail only before those committees, specifically Appropriations and Long Range Building. President Tietz stated he would put the relationship between the Museum and MSU forward as an exemplary relationship that provides private support for certain University programs. In Montana, where resources are extremely limited, these kinds of cooperative ventures are appropriate and necessary.

After the conclusion of the discussion, President Tietz stated that for the 1991 Legislative Session the Museum of the Rockies is submitted as a program modification. MSU would like to propose the structure of the Museum as a department within the public service budget. MSU has a very small public service budget and would suggest this would make an appropriate department within the public service operation. At Chairman Mather's request, President Tietz will bring that recommendation forward at the September 1990 meeting. The proposal should be brought forward to the Administrative Committee for discussion at the same time the separate budget for the Museum is discussed by the Committee.

Addition to Agenda - Emergency Item

At the Commissioner's request, Mr. William Lannan distributed and reviewed copies of Item 68-102-R0790, Emergency Replacement of Line Busway PARTV Building; University of Montana. He explained the item is brought forward as an

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emergency item, and will allow the University of Montana to implement steps necessary to replace the damaged 1 line busway in the PARTV Building at a cost of approximately \$50,000. The busway was not properly installed by the contractor and the manufacturer recommends immediate replacement. The A & E Division has been apprised and will take appropriate action against the contractor. On motion of Regent Kaze, the item was approved with the understanding legal action may be required in the future.

Commissioner's Report

Dr. Hutchinson referenced the action taken by the last legislature in SB 409 requiring 150 additional semester hours of credit to receive certification as a CPA or licensing as a public accountant effective July 1, 1997. The question becomes should the Montana University System units offering those programs bring their requirements up to the additional 150 hours, and if they do, should they not also be allowed to award the master's degree. At present, only the University of Montana is authorized to offer that master's degree.

A memorandum of understanding has been agreed upon and signed by the presidents of the three affected institutions requiring the additional 150 hours effective July 1, 1997 for all of the bachelor's degrees in accounting. The University of Montana is still authorized to offer the master's degree, which will now require extensive additional course work over and above the added 150 hours required in 1997 for the bachelor's degree. This understanding does not necessarily foreclose an institution from continuing to award a bachelor's degree to a business major with an emphasis in accounting for instance. That person will probably not have the requisite coursework, however, to sit for the CPA examination.

Dr. Hutchinson elaborated on the additional terms and conditions of memorandum, and responded to Regents' questions.

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Report on MHESAC Building Project

At the Commissioner's request, Mr. Jim Stipcich, Executive Director of MHESAC, presented a brief report on the status of the MSHESAC building project. He distributed and reviewed a memorandum to the MHESAC Board of Directors and the Board of Regents dated July 24, 1990 (on file) outlining the status of the project. It is anticipated the building package will be submitted to the MHESAC Board for approval in August, and to the Board of Regents seeking its approval for participation as a tenant at that Board's September meeting.

Regent Topel questioned if alternatives to tenancy in the MHESAC building will be presented to the Board of Regents before that decision is requested. Commissioner Hutchinson responded preliminary work has been done to try to determine costs of alternatives to the Board of Regents staff moving to the MHESAC building - to disconnect from MHESAC. Those costs could be determined and provided to Regents.

Chairman Mathers assured Regent Topel the Board of Regents is not "locked in" to the move. Deputy Commissioner Noble mentioned the alternatives examined and costs analyzed on all aspects of construction of the MHESAC building. The MHESAC Board, of which four members are also members of the Board of Regents, has approved siting of the building, and final architectural drawings are being prepared which include the tenancy of the Montana Guaranteed Student Loan Program, the office of the Commissioner, and the Board of Public Education. While it is possible to make some other decision, Mr. Noble stated he hoped that action would be weighed very carefully at this stage of the building's development. He recognized the awkwardness of the situation for those Regents not sitting on the MHESAC Board of Directors.

Regent Redlin noted one of the reasons advanced for the necessity of building the new building was the desire to

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keep all of the functions together - MHESAC, GSL, and the Commissioner's office. She stated one reason she rejected the Great Falls proposal for the MHESAC building was the need to keep those groups together, and would be uneasy if a different decision was made at this point.

Commissioner Hutchinson stated what needs to occur is that the full Board of Regents, sitting as the Board of Regents, be apprised how the decisions were made for the Commissioner's office to "stay in" as long as it has. There is no question that a disconnection of the Commissioner's office from the MHESAC operation would be a costly venture. New funds would be required to accomplish that. Nevertheless, the four Regents on the MHESAC Board are fully apprised of the process, but the three remaining Regents have not had that advantage. It also needs to be said very clearly that no final decision has been made at this time because not only have the Regents not approved the action, neither has the MHESAC Board. At this point everyone is moving forward in good faith, exercising the best stewardship possible.

Mr. Stipcich added that all costs to date, and they have been considerable, have been paid by MHESAC with no drain of funds expected from the Regents. One of the underlying assumptions of the entire process was to hold the line item rent budget allocation in the Commissioner's budget to no more than is now expended. Some design issues have revolved around trying to satisfy that goal. MHESAC will be bringing a package to the Regents which it believes will be competitive.

Report on Carl Perkins Injunction

Chief Counsel Schramm briefly outlined the facts in the lawsuit filed by certain local school districts naming the Board of Regents as defendants. The suit centered around distribution by the legislature of some \$800,000 Perkins Act

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monies to the vocational-technical centers as part of the centers unrestricted budget. At the hearing on the temporary injunction, it was the decision of the state District Court that the case be dismissed. Under the Perkins Act, the only remedy left to the plaintiffs is to take the matter to the Federal Circuit Court in San Francisco. Dr. Schramm reported that is unlikely, but possible. The Board will be informed if further activity occurs.

Current reauthorization of the Perkins Act now awaiting final action in the House and Senate will determine what will occur next year. The Perkins Act is probably going to be totally changed, and may prohibit such legislative action regarding appropriation of Perkins monies as has occurred in Montana.

Faculty Workload Report

Commissioner Hutchinson reported on an on-going faculty workload investigation being conducted by the Legislative Auditor. Auditor's staff developed certain faculty workload data through a survey administered to members of the faculty and administration at the six units. The survey included questions on how faculty perceived they spent percentages of their time, with categorizations of percentages titled by the Auditor's staff.

Acting Commissioner Toppen distributed and reviewed an analysis of the Auditor's Preliminary Report on Faculty Workloads (on file). Dr. Toppen explained that some of the data might be inflammatory in certain interpretations. To allay that reaction, two columns were added which are believed to more accurately reflect what faculty does. The second page of the analysis presented by Dr. Toppen reflects faculty workload distribution at Eastern Montana College developed from the Auditor's survey. Dr. Toppen cautioned at all times in the

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evaluation of this data the subject groups analyzed in the course of this assessment must be kept in mind. For instance, at Montana Tech faculty indicated 7.7% of their time was spent in research. Dr. Toppen noted this seemed low, and learned that Bureau of Mines faculty who are certainly research oriented were not part of the survey pool. Other such "glitches" may affect the absolute value of the numbers or percentages revealed.

Dr. Toppen concluded noting the information provided is based on a preliminary report of the data accumulated by the Legislative Auditor. Commissioner's staff intends to pursue this more thoroughly with the Legislative Auditor's office, and to be very carefull in the interpretation of the information and urge the same caution on the Auditor's interpretation. It is important to note that by the perceptions revealed in the survey all faculty are putting in much more than a 40 hour week. The Auditor's office has solicited responses from the campuses on the preliminary report. Campuses have questioned the sampling procedure; it may not be a true representation of what actually occurs on the campuses. MSU reported none of the science departments on that campus were included in the survey. No date for release of the final report has yet been ascertained.

Deputy Commissioner Noble cautioned against public dissemination of the information contained in the preliminary report until it is released by the Legislative Audit Committee.
Report on HEAF Situation and Financial Status of Montana Guarantee Agency

William Lannan, Director of the Montana Guaranteed Student Loan Program, and Jim Stipcich, Executive Director of MHESAC, distributed and reviewed a memorandum to the MHESAC Board and Board of Regents dated July 30, 1990 (on file)

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responding to recent press coverage that the Higher Education Assistance Foundation (HEAF) is facing financial collapse. In summary, HEAF is a national guarantor that guarantees loans in numerous states. It has not guaranteed loans for Montana schools unless the student was a non-resident and specifically requested a HEAF guarantee. The Montana Guarantee Agency is in solid financial status. MHESAC monitors the Montana Guarantee Agency reserve ratio on a monthly basis. That guarantee agency is required to maintain a 1.5% cash reserve ratio to protect against a similar situation as the HEAF event. If the ratio drops below 1.5%, the Guarantee Agency is required to suspend providing additional guarantees and paying administrative costs until the entire financial picture can be evaluated and adequate reserves exist to proceed.

Montana again expects its default rate to be below 5% and will again receive 100% reinsurance for all of its defaulted loans. The key to the Montana program avoiding a similar problem to the HEAF situation is to assure its default rate stays under 5% each year. One of the primary reasons for bringing servicing of the loans to Montana was to assure better control over the default function.

CAMPUS REPORTS

Dr. Hutchinson reported on behalf of President Kettner that on September 4, 1990 Dawson Community College will kick off its fiftieth anniversary celebration. A scholarship drive will be conducted throughout the fiftieth year as part of anniversary celebrations.

At the request of the Commissioner, Provost Donald Habbe, UM, distributed a brochure distributed to students at UM explaining the conversion to the semester system to be implemented in 1992.

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President Tietz reported on activities of Dr. Horner on behalf of the Museum of the Rockies at the national level. He was featured on the front page of the Chronicle of Higher Education, was a guest on "CBS This Morning", and on June 29, 1990 was featured in "The Korea Herald".

Regent Redlin reiterated her previous request that the inequity between the number of dollars allocated to athletics versus those allocated to the high school honor scholarship fee waivers be addressed. Dr. Hutchinson responded the Presidents have each been asked to appoint an individual to serve on an interinstitutional task force to review all aspects of out-of-state fee waivers, and the entire range of policies as they relate to current statutes. The recommendations brought forward from that task force will be part of a broad discussion on various issues of fee waivers at the fall retreat. The balance of academic versus athletic scholarships will also be addressed.

Regent Redlin also requested a period of time be set aside for review of guidelines for holding executive sessions. Chief Counsel Schramm was instructed to prepare a presentation on that topic for the September 1990 meeting.

Regent Kaze noted for the record that each campus should have in place an action plan for responding to Legislative Audit exceptions to which they have agreed. Commissioner Hutchinson responded those are being sent to the Commissioner's office and a report will be brought forward at a future meeting.

Regent Topel requested that Commissioner's staff develop a methodology for review of key administrative staff items that might have a "ripple effect" on salaries across the System so the Board is alerted to that possibility before action is taken on the item.

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Hearing no further reports, Chairman Mathers called for a motion on the items on the regular agenda.

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

- Item 68-100-R0790, Staff; University of Montana
(Includes 2 post-retirement contracts)
- Item 68-101-R0790, Resolution Concerning the Retirement of Donald H. Canham, Professor of Pharmacy, School of Pharmacy & Allied Health Sciences; University of Montana
- Item 68-200-R0790, Staff; Montana State University
(With Addendum)
- Item 68-201-R0790, Post-Retirement Contract (Martin A. Faulkner); Montana State University
- Item 68-202-R0790, Post-Retirement Contract (Edward L. Hanson); Montana State University
- Item 68-203-R0790, Post-Retirement Contract (Harvey Lee Pierce); Montana State University
- Item 68-204-R0790, Post-Retirement Contract (John Taylor); Montana State University
- Item 68-205-R0790, Retirement of Robert C. Utzinger, Director and Professor, School of Architecture; Montana State University
- Item 68-206-R0790, Retirement of Harry W. Towners, Professor, Mechanical Engineering; Montana State University
- Item 68-300-R0790, Staff; Agricultural Experiment Station
- Item 68-400-R0790, Staff; Cooperative Extension Service
- Item 68-500-R0790, Staff, Montana College of Mineral Science and Technology
- Item 68-500A-R0790, Staff; Montana Bureau of Mines and Geology
- Item 68-600-R0790, Staff; Western Montana College of the University of Montana
- Item 68-700-R0790, Staff; Eastern Montana College
- Item 68-710-R0790, Degrees; Eastern Montana College
- Item 68-800-R0790, Staff; Northern Montana College
- Item 68-801-R0790, Resolution on the retirement of Dr. Robert Kaftan, Professor of Education and Psychology; Northern Montana College
- Item 68-900-R0790, Staff; Office of Commissioner of Higher Education
- Item 68-7500-R0790, Staff; Billings Vocational-Technical Center
- Item 68-9000-R0790, Staff; Helena Vocational-Technical Center
- Item 68-9500-R0790, Staff; Missoula Vocational-Technical Center
(With Addendum)

July 30-31, 1990

Chairman Mathers announced the evaluation of President Tietz would be deferred to the September 1990 meeting.

The meeting adjourned at 3:05 p.m. The next regularly scheduled meeting of the Board of Regents will be held on September 13-14, 1990 on the campus of Salish-Kootenai College, Pablo, Montana.

Upon adjournment, the Regents met with members of the Education Commission of the Nineties and Beyond.

