

MINUTES MINUTES

Montana Board of Regents of Higher Education

Regular Meeting

January 11-12, 2006

Best Western-Great Northern Hotel
835 Great Northern Blvd.
Helena, MT 59601

BOARD OF REGENTS MEETING

The Full Board convened at 5:30 p.m., Wednesday, January 11, 2006

ROLL CALL

Roll Call indicated a quorum present

Regents Present: Stephen Barrett, Mike Foster Vice Chair, Lynn Hamilton, Heather O'Loughlin Student Regent, Mark Semmens, and Lila Taylor. Also present was Commissioner Sheila M. Stearns.

Regent Absent: John Mercer Chair, excused.

Representing Governor Brian Schweitzer: Ms. Jan Lombardi, Education Advisor

Acting Chair Mike Foster introduced the new Student Regent, Heather O'Loughlin.

Commissioner Stearns announced there would be an acknowledgement of Regent Lynn Hamilton's service to the Board during the meeting. **Chancellor Alex Capdeville** will hold another recognition of Regent Hamilton in Havre during the Board of Regents meeting in May.

ADMINISTRATIVE / BUDGET ITEMS

- a. **ITEM 130-2002-R0106** - Authorization to Execute a Site Lease Agreement with the USDA Agricultural Research Service; Montana State University

Regent Barrett explained this was follow-up from the November meeting. He indicated he had studied the lease and said there is significant federal funding involved, and the building will be located on the MSU-Bozeman campus, close to 11th and College streets. **Regent Barrett** indicated the Board needed to authorize the action and at the same time make an exception to policy, which limits the duration of leases. Since parking is such an issue on campuses, part of the federal grant includes parking.

Regent Barrett **MOVED** that MSU be **authorized** to enter into the proposed long-term lease agreement with the USDA to allow for the construction of a new federal USDA Research laboratory facility on the MSU campus. He further moved that the Board authorize an exception to Policy 1007 which limits duration of leases to 20 years. Given the nature of this project and the investment of the federal government in the building, he moved that the Board allow the duration of the lease to extend for 30 years for the initial term with an option to be renewed for an additional 20 years.


President Gamble explained the USDA has the same requirement of longer leases with other entities. Longer leases are standard from a federal perspective. **Regent Hamilton** asked about the state architects involvement. **President Gamble** explained that Montana State University and the State Architect & Engineering are working together to assure it meets standards. He explained from past experience, federal requirements were actually more stringent than state requirements. The groups involved are in agreement. **Regent Semmens** asked for clarification on the statement of seeking \$20 MIL and MSU seeking funding for \$12 MIL. He asked if it was a \$32 MIL project. **President Gamble** explained that there are actually two separate pieces to the project. It will take two sessions to get the deal finalized. MSU has the first right of refusal if the Federal Government decides to vacate the premises. There are actually two buildings, with the USDA being the owner of the federal building. **Regent Hamilton** expressed concern about A&E not being involved in the planning of a building on state property. **Craig Roloff** explained MSU and the state have the right to review the drawings, but do not have the right to tell the Federal Government what to do. The Federal requirements are at least as strict as any requirements the State has. He added they were most concerned with compatibility with the appearance and the connection to the MSU infrastructure. MSU does have control over the infrastructure. **Chair Foster** asked if it is common to have a building owned by one entity, but on the land of another. **Regent Barrett** indicated it is a very common relationship.

 Motion **APPROVED unanimously** on 6-0 Vote.

b. **ITEM 130-102-R0106** - Approval of Agreement between Postsecondary Education Policy and Budget Subcommittee and the Board of Regents.

 Regent Semmens **MOVED Approval** of Item b.

Regent Semmens explained this document was the integration of many other documents. He praised the collaborative work with Alan Peura, Dave Gibson, and Jan Lombardi. Regent Foster applauded the efforts expended in creating this quality document. It was also noted that the next meeting for PEPB is February 23, 2006.

 Motion **APPROVED unanimously** on 6-0 Vote.

END ADMINISTRATIVE/BUDGET ITEMS

CONSENT AGENDA


Staff Items:


- a. **ITEM 130-1000-R0106** - Staff; The University of Montana-Missoula AMENDED
- b. **ITEM 130-1001-R0106** - Authorization to Confer the Title of Professor Emeritus of Curriculum and Instruction upon Carolyn J. Lott; The University of Montana-Missoula
- c. **ITEM 130-1009-R0106** - Authorization to Confer the Title of Professor Emeritus of Drama Upon Christine Milodragovich; The University of Montana-Missoula
- d. **ITEM 130-1500-R0106** - Staff; Montana Tech of The University of Montana
- e. **ITEM 130-1500A-R0106** - Staff; Montana Bureau of Mines & Geology; Montana Tech of The University of Montana
- f. **ITEM 130-1501-R0106** - Authorization to Confer the Title of Professor Emeritus of General Engineering Upon John F. McGuire; Montana Tech of The University of Montana; Montana Tech of The University of Montana
- g. **ITEM 130-1600-R0106** - Staff; The University of Montana-Western
- h. **ITEM 130-1900-R0106** - Staff; The University of Montana-Helena College of Technology
- i. **ITEM 130-2000-R0106** - Staff; MSU-Bozeman
- j. **ITEM 130-2001-R0106** - Professor Emeritus of Music upon Glen Johnston; MSU-Bozeman
- k. **ITEM 130-2300-R0106** - Staff; Ag Experiment Station
- l. **ITEM 130-2400-R0106** - Staff; Cooperative Extension Service
- m. **ITEM 130-2700-R0106** - Staff; MSU-Billings
- n. **ITEM 130-2800-R0106** - Staff; MSU-Northern
- o. **ITEM 130-2850-R0106** - Staff; MSU-Great Falls College of Technology

Labor Agreements/Other Items

- a. **ITEM 130-101-R0106** – Approval of Tentative Agreement with Helena Teachers Union, Helena College of Technology
- b. **ITEM 130-103-R0106** – Approval of Tentative Agreement with Faculty Union; The University of Montana College of Technology
- c. **ITEM 130-104-R0106** - Montana Rural Physicians Incentive Program; Office Commissioner of Higher Education

Chair Foster reported that The University of Montana had added a couple items which needed no further clarification. See attached sheet. Under Labor Agreements Item a., Helena College of Technology Faculty Union had not yet ratified the contract, so no action was taken by the Board at this time.

 Regent Barrett **MOVED approval** of the entire Consent Agenda, to include the amendments to the UM Staff Item, and removal of Item a. under Labor Agreements/Other.

 Motion **APPROVED unanimously** on 6-0 Vote.

END CONSENT AGENDA

With no further business to come before the Board, the meeting adjourned at 5:50 p.m.

Mailed to the Board of Regents on

Approved by the Board of Regents on

(Date)

(Date)

Sherry Rosette
Board Secretary

John A. Mercer
Board Chair

The Regents' Planning Session commenced at 5:50 p.m.

a. Strategic Planning Update – D. Gibson

Associate Commissioner Dave Gibson gave the Strategic Planning Update and explained they had reviewed all the documents produced by staff, combined many of them and incorporated many of the goals from each. **Commissioner Stearns** stressed the need of her office to have a sense of what the Regents want before the March, 2006 meeting. **Regent Semmens** commented it was good to know the current situation and where they are heading. He also noted the Strategic Plan now tracks closely to the PEPB Goals and is also in line with the Legislature's and Policymakers' requests. **Regent Barrett** voiced a desire for a short communication tool to let people know what the Montana University System is all about, and to articulate the Strategy to the Legislature. **Regent Hamilton** added that the Montana University System can't communicate to people of Montana until there is a written document. She is concerned people will use statistics and data in different ways, leading to misunderstanding of the findings, or create a perception that the System is confused or unprepared. **Regent Semmens** indicated he liked the way the Strategic Plan explains efforts to increase participation rates. **Chair Foster** requested a condensed one-page document to provide Legislators and the Public with the nutshell version. **Mr. Gibson** emphasized the importance of paying close attention to the measurements and encouraged recommendations for change since this document will be used to measure the System for the next five years. He noted the document, with the exception of the 3-5 year goals should be ready for approval at the March meeting. The Regents will be asked to approve the Strategic Initiatives portion at the May 2006 meeting.

d. Allocation Model Update

Robert Durringer provided an update on the work on the Allocation Model, and explained Dennis Jones' use of the peer analysis. The group has met twice and will meet twice more to prepare for the March meeting.

Mr. Durringer stated the deliverables will be:

- an agreed upon list for the campuses
- Corridor
- Policy on revenue mix
- Fee waiver analysis
- 2 year initiatives

He also noted it was important for the "peers" to more closely match the Montana University System in the technical area and to be institutions that operate as Montana does. **Regent Semmens** said consideration should be given for some variability in the corridor numbers to cover more costs if there is an increase in students. He also asked if the group was incorporating differential tuition. **Mr. Durringer** answered yes, that all these concerns were being considered and discussed in their meetings. He added that the committee was looking at differential tuition and different ways of funding the two-year institutions and that they also need to phase in costs.

b. 2009 Planning: Current Services Budget

Pam Joehler explained the FY09 Budget scenarios and the importance of developing common methodology for developing the budget. The document can be found at www.montana.edu/ocheftp/FY09%20Budgetpdf. The document comes from the current expenditure levels, applying inflation adjustments and projected forward to the FY08-09 biennium. The enrollment projections were broken down between resident and nonresident students, showing an increase in resident and non-resident students and in WUE. She explained various funding scenarios and showed the present law adjustments the Budget Office typically approves. The "Present Law" funding scenario assumes the Budget Office would approve 80% state funding (and 20% tuition), with annualization of the prior year pay plan, state fixed costs, and enrollment growth adjustments, and 38% state funding for the Executive Pay Plan. All Present Law Adjustments not approved by the Budget Office, such as general inflation, is assumed to be funded from tuition. As a result of these assumptions, the estimated annual tuition rate increase is projected at 9.3% per year. **Regent Foster** asked if Ms. Joehler used the percentage from what the state typically funds instead of assuming the state would increase funding. **Ms. Joehler** replied the figures were based on what the state typically funds. **Regent Foster** asked if the result is that the state supplies a lower percentage each year. **Ms. Joehler** replied yes. **Regent Semmens** said he was surprised to see 7% increases. When looking historically over the past years, expenditure increases were typically 4% each year. **Mick Robinson** noted he needed to refer to the first page of the document, and recognize this is a work in progress. He added that when talking about tuition, they're also talking about state funding versus tuition funding and that there is a lot of additional work to be done yet. Insurance rates are not determined at this time, but they used the average of past years percentage increases. This project will be updated in the spring, when they'll look more closely at enrollment projections. Affordability is a significant issue. **Mr. Robinson** stated they need to look at having expenditure increases that will work for the Governor's Budget Office when looking at funding scenarios. Discussion followed regarding the 80/20 funding ratio for the pay plan. **Mick Robinson** told the group that expenditure increases are based upon state support. Tuition fills in the gap for what is not covered by state funding. He added that they would appreciate direction from the Board of Regents as they prepare for the March meeting. **Chair Foster** said it would be helpful if they could see the dollar amount of impact on the first page too. If a percentage is in the millions of dollars, then that makes quite a significant impact. He asked if they were talking about large or relatively small amounts. **Mr. Robinson** responded they were talking about a significant dollar impact. There is a separate work group addressing the utility

issue, which will be reporting back with their best estimate of what the utility rate will be 2-3 years down the road. **Regent Semmens** requested getting closer to 5% and stressed the importance of working closely with the Executive Budget Office to bring more credibility to the affordability issue. **Chair Foster** agreed with **Regent Semmens** on the 5% figure. **Regent Hamilton** asked if the utility surcharge that was passed by the Board was reflected in this budget, or if this was an additional 20% above that utility fee. **Bill Muse** responded the utility surcharges were considered to be one-time in this biennium, so they are not included in this budget. **President Gamble** asked on behalf of the students if the budget process was as efficient as it could be. **Regent Semmens** explained that this is a very intensive process in which the Committee is trying to examine the various issues. **Commissioner Stearns** asked the Board for their sense of the early assumptions given, such as the policy statement on tuition, quality, affordability, flexibility, predictability, competitiveness, and the proliferation of mandatory fees. She would like to see an increasing emphasis on affordability and higher education cost adjustment. The Commissioner explained that tuition is always a function of partnership and that the group would be discussing initiatives the next day. She takes very seriously expenditure control, partnerships between students and the State and what is best for the State's future. **Regent Barrett** asked what good it was with guidance to stay at a 5% increase. He believes the Board needs to find a programmatic solution or give better direction on duplications of things that are working well. He stated the Board needs to be better managers.

Tuition and funding scenarios

Ms. Joehler explained the remaining 2 pages of her document. She said these were funding scenarios using the present law-funding base as on the 1st sheet. The first scenario used the expenditure base in the FY09 biennium (estimated). The next assumed the FY07 tuition rate was reduced 10% and is held constant for FY08-09 and that non-resident tuition will still increase the same amount as in the 1st funding scenario. These show impact on the general fund. **Regent Semmens** said the information in the document gives the Board some comfort with tuition increases and recommended staying with a 4-5% increase in tuition rather than going higher. **Regent Foster** reiterated that some programs may have outgrown their purpose. He suggested this would be a good time to review this aspect. **Regent Semmens** asked Commissioner Stearns if the Commissioner's Office is comfortable with the tuition increase levels. **Commissioner Stearns** replied that she was uncomfortable with an average tuition increase of over \$250 or so per year. It hinges on the partnership with the State and the initiatives the Board has discussed, and whether the State agrees to fund 100% of the initiatives if they are endorsed by the Administration. She added that campuses have program reviews, but the fact is that many programs not paying their own way are the very ones the community wants to keep, such as the nursing programs. She would personally like to have a tuition increase of 5% or less, but that would depend on the State paying more. The State used to pay 80%, rather than their current 40%. **Student Regent O'Loughlin** asked where the number for Fee Waiver Reductions on page 2 was obtained. **Pam Joehler** replied the fee waiver reduction comes from a reduction in the tuition rate. Therefore, the fee waiver cost is reduced. In scenario 4, the fee waiver is high because of a high tuition increase. **Regent Semmens** said as tuition increases are reduced, there is a reduced expenditure level. **Regent Hamilton** recommended caution when discussing numbers. Tuition cost is only a part of the check parents make out. The fees on many campuses are nearly as high as the tuition. **Regent Semmens** clarified that he is not pleased with a 5% increase, and he would like to engage in dialogue on affordability. Under reasonable assumptions, we need to concurrently consider affordability and to preserve quality while being sensitive to expenditure levels. **Jan Lombardi** told the group that tuition and affordability are concerns. She appreciated the committee looking at the different scenarios. She noted that at the Board of Education meeting the following day, Dave Ewer would begin the discussion of where the State is, what they are looking at, and where education can fit into their plans.

The meeting recessed at 7:30 p.m.

THURSDAY, January 12, 2006

The Board reconvened the Planning Retreat at 2:00 p.m.

Chair Foster recognized Regent Lynn Hamilton and expressed great appreciation for her involvement and dedication over the past seven years as a Regent. Regent Hamilton is highly respected and he praised the high quality of her work and input. Similar appreciation for Regent Hamilton was expressed by **Commissioner Stearns**, the other regents, Presidents **Gamble** and **Dennison**, Chancellor **Capdeville** and **Carol Donaldson**.

David Ewer, the Governor's Budget Office Director, explained the situation of the state budget. Some departments have growth they can't control, such as Corrections. **Mr. Ewer** said that to build a budget, it is necessary to take a base, build present law adjustment into it, and then consider new proposals. Regarding the Schweitzer budget, **Mr. Ewer** thinks they have enough money now to meet present law adjustments, that they can meet the Department of Corrections budget and DPHHS, with a pay plan that will sell to the unions. He is alerting department heads, however (not including the pay plan) that they are looking at only 1% over present law adjustments for the budget. He wanted to give a sense of reality from their perspective. With part of that 1%, he suggested that they will need to get new buildings on line. He told the group he doesn't have a bond program in mind yet. A major infrastructure the Governor's Office will attempt to put forward will be for a more secure computer system. **Mr. Ewer** said there need to be priorities for getting the greatest return on investment for higher education and he hopes the group will take the transferability issue very seriously. The easy part is to have the money for the data system. The hard part

is the other issues. **Mr. Ewer** explained the Budget Office doesn't have the Governor's comments on the priorities regarding the 2-year schools yet. Unless there is a new big revenue source, and a new growth in the economy, and taking into account a big income tax change which will take a lot of money out of state government, then the budget will be tight. **Chair Foster** thanked Mr. Ewer for his input and guidance. Discussion followed.

Regent Semmens told the group it would be more effective to work closely with the Executive Office for what is realistic and achievable. He suggested meeting with the Budget Office soon concerning new proposals and initiatives that the Board would like to work on with them. **Mr. Ewer** replied that he would be very interested in hearing ideas with a lot of leverage. He realized there are a lot of campus needs and infrastructure needs and would like to have some conversations with the higher education group to discuss putting more money into some of the buildings and deferred maintenance. Those things may not have a lot of visibility, but in the long run, may help to save the state a lot of money. **Mick Robinson** asked for clarification in present law calculation or determination and requested that Mr. Ewer to take a close look at that particular issue, as it affects tuition, how it is looked at by the Budget Office and how the University System may look at present law. **Mr. Robinson** also asked Mr. Ewer to look at University System pay plan. **Mr. Ewer** also addressed vacancy savings and how the legislature may also address this as well. **Regent Semmens** asked the Budget Office to think about the issue of the pay plan, and the State/Student ratio. **Chancellor Alex Capdeville** commented on the growth in the prisons and suggested that putting more money into 2-year education could help with the growth issue. If the campuses could train people and give them a skill, he believes that will make a big difference. He said the University System would like to be a part of the solution, but realizes they need to do it together. **Mr. Ewer** agreed with the importance of working together, and fully recognized that Montanan's don't like new taxes, and therefore, we need to take what we have and do the best we can. He stated that his philosophy is to try to do things on the front end. **Chair Foster** encouraged Mr. Ewer to attend meetings and extended appreciation for his comments and input.

c. 2009 Planning: System and Campus Initiatives – Overview – Stearns / Robinson

Regent Semmens cautioned the group on the danger of getting too excited about putting money into new and exciting ideas and initiatives, but forgetting to keep some of the more mundane things going and to keep in mind that some think it is most important to keep funding current level services. He is in favor of the System Initiatives only if the MUS and the Governor's Budget Office agree. **Regent Semmens** wants the University System and the Budget Office to be able to be in agreement before next fall with clear, cohesive collective initiatives. He agreed with pulling together some of the common initiatives and would like to find room for some amount of campus initiatives. Once that decision is made, he would refer to the campus CEO's on how to make best use of those initiatives to make the best use of the resources. **Regent Semmens** hoped the Board could have some campus initiatives, in addition to the system initiatives in March. **Chair Foster** asked Regent Semmens what the University System responsibility is of looking at present programs on the campuses to determine if programs should stay and to determine if there are some that should have some changes. **Regent Semmens** answered that is part of the process and believed unless they have buy-in and support from the Governor, the chances of succeeding would be very small.

System Initiatives

Commissioner Stearns explained the six initiatives developed within the Commissioner's Office. (see document)

1. Transferability and integrated student data system
2. Indian education for all
3. Affordability
4. Distance learning
5. Community colleges and workforce development
6. Eliminate healthcare worker shortage

Commissioner Stearns said she would like the University System to develop a "system" approach to make transferability more operational than it has been, and added that the Governor is interested in 2-year programs and Indian Education For All. **Commissioner Stearns** explained the six initiatives, the importance of working closely with the Governor's Budget Office and the importance of being very systematic. She agreed the priorities should be supported by the Governor's Budget Office. The Commissioner said her top priority is transferability and the student data system. Regarding affordability, the University System should work with the Governor to discuss whether he would like to expand the Governor's Postsecondary Scholarship Program, or further develop MPACT, which is in the pilot stage at the UM campus. Distance learning, explained Commissioner Stearns, is based on Shared Leadership work and people throughout the state are pleased with the work in this area. Tom Gibson is leading this effort. The Commissioner said Community Colleges and Workforce Development – both in Shared Leadership, the Governor's Office, and the Leadership Montana Group – should make community colleges and two-year education a higher priority. **Commissioner Stearns** said regarding the initiative to Eliminate Healthcare Worker Shortage, that Dave Gibson has been working with people throughout the state in a collaborative manner. She added that all campuses should fit into and benefit from these initiatives. **Regent Barrett** expressed disappointment in the campus Initiatives because there is no evidence in discipline or thought in presenting them; no hierarchical listing of what is more important. He said when a person gets 144 pages of Initiatives without much suggestion on what is most important to the campus, it requires the Board to micro-manage those priorities. He asked how they will maintain credibility in the Legislature if they have such a long list. Further, they need to tie the

initiatives with what is real. He noted that there was no indication of what other things would be discontinued if these Initiatives were adopted. **Regent Barrett** said they should have been better managers. He appreciated what the Commissioner's Office did in trying to incorporate some of them together and stressed the importance of working closely with the Governor's Office. **President Dennison** asked if the list of System Priorities would all be funded with general funds. He also asked if there would be no tuition increases, as he would like to see that. **President Dennison** said they did look at priorities, the cost of current services and the pay plan. They limited the proposals to a 2% increase in tuition. The reasons they did not include the affordability issue or transferability issue was because they would be handled by the system initiatives. He said they also did not address the healthcare issues because they felt the Commissioner's Office would address that. **President Dennison** wanted the group to know they did indeed look closely at priorities and further explained that their highest priority was faculty at the Missoula College of Technology. He emphasized this was not just an exercise in a wish list, but rather a list of needs within the State. If the pay plan has to be covered by tuition, then it appears there will not be anything left over after taking into account the present law adjustments. **Chair Foster** did not want to rate the priorities and questioned how the University System could address distance learning as a system, while keeping in mind the competitiveness of distance learning. **Evan Barrett**, the Governor's Economic Development Officer stressed the importance of the workforce issues, which are a critical issue throughout the state. He said the Executive Branch was working on the healthcare workforce shortage issue. Mr. Barrett's office has submitted a grant for workforce shortage. He said the University System will be integral in implementing these programs. **Chair Foster** commented on the workforce shortage in healthcare and construction. **Mr. Barrett** replied he would like to put together a SWAT team of members of the Governor's Office and university people to work on these issues, with the university system being a big player. **Regent Hamilton** said it would be important to include the K-12 group and local healthcare to work on the initiatives.

Campus Initiatives

President Dennison explained that the UM campuses looked at three areas of concern: access, economic improvement, and efficiency. They all agreed affordability was a big issue, with system initiatives to use the Governor's Postsecondary Scholarship Program as well as a pilot program The University of Montana is using. **President Dennison** wants to keep the retention rate up. He explained that he excluded proposals that came from individual agencies, as they are funded differently. He added that the largest funds go to workforce shortages and healthcare issues. He stated there are also some special projects from Tech, such as the Science Academy, which would have to be funded by the state. He said there is also a special initiative at Western to explore biomass. Further, they would need \$5 MIL of general fund and \$2 MIL from tuition. **President Gamble** expressed concern regarding Regent Semmens' difficulty in focusing too much on initiatives. By listening to conversations in the meeting last night and this morning, if the University System were to move from 7½% to 5%, that would be a \$10 MIL decrease. **President Gamble** said it was important to make sure there was adequate funding for what they currently have and to not have a long list of new initiatives. He said they had a \$6.2 MIL target, then went through and prioritized and divided among their campuses, with much emphasis on the healthcare initiative.

The MSU themes were:

- participation of students, including Native American students
- address difficulties in retaining staff on faculty and staff on 2 year campuses
- maintaining programs they know are working well
- internship programs
- core curriculum.


President Gamble said he realized it was a long list and that he understood that if they don't get funding, there would be some of those initiatives they would not be able to do and the list would be distilled down as they find out about funding. **Chair Foster** asked about the retention of students, which was discussed by both sets of campus initiatives. He expressed concern about students attending for a short while, then totally leaving the system and requested the campus CEO's to think about how to address those students. **Regent Hamilton** added that if they could access the College Summit Program, it would serve as a model for the future to better prepare the students for the future. She explained the College Summit trains counselors in the high schools to help advise students and families to make better decisions for their futures. **President Dennison** agreed with Chair Foster's and Regent Hamilton's observations. He said the purpose for the MPACT program was for students to make a choice between 4-year or 2-year programs. After they do 2 years, then they would still have the option of completing a 4-year program. **President Gamble** said they spent a lot of time on this issue and want the students to complete their education. They addressed methods of retention in their Strategic Plan. **Chair Foster** requested the OCHE staff work with the campus goals to bring the themes together to have a more collaborative effort. **Dave Gibson** said they will not have the ability to pull together a statewide healthcare initiative with comprehensible proposals in collaboration with the Governor's Office to have ready by the March Board of Regents meeting. He asked for guidance from the board and if they could push the timeline back to the May meeting for the healthcare proposals. **Mick Robinson** responded that timeline would not work for the Budget Office, but if the Budget Office knew it was in the works, then perhaps it could be accommodated. **Mark Bruno** said there have been times in the past when the Budget Office has used placeholders for projects like that and he thinks they could accommodate the request.


Regent Hamilton asked if the WWAMI slots are time sensitive. **Dave Gibson** responded that the recommendations and initiatives for healthcare WWAMI, expansion and addition of residency programs, and thinking about incentives for physician incentives for re-location could be ready in March. The real problem, however, comes with thinking about all the other health professions that need to be integrated, how to get rural allied health professions and how to develop a plan for a 5-10 year solution. He pointed out he doesn't think we would be able to realistically get all the money needed to solve all the healthcare problems throughout the state. **Mr. Gibson** suggested picking a dollar amount to at least work on some of them. **Regent Hamilton** asked if additional WWAMI slots produce more physicians for the rural healthcare profession. **Dave Gibson** answered, yes, but many other things also fit into the issue. **Regent Hamilton** asked if there is a structure to work on in collaboration with the Governor's Office and the Department of Commerce to keep other groups up to speed with these proposals. **Dave Gibson** replied, yes, he has had discussions with the Governor's Office regarding that. In the healthcare arena, however, they need the time to have more constructive meetings with the healthcare professionals. **Jan Lombardi** said it's a very big issue and requires more strategic thinking, with a number of agencies, and she asked Dave Gibson to allow more time for more conversations. **Beth Creager**, Dean of Student Affairs at Miles Community College addressed Priority #5 and encouraged the group to look at article #20 about name changes for colleges of technology to make sure it is consistent with Montana Code. **Commissioner Stearns** assured Ms. Creager if there were any name changes, they would be in full compliance with all regulations. The Commissioner followed up on a point made by President Dennison and said she would like Regent O'Loughlin and other students in MAS to consider how much tuition should be dedicated to new initiatives on the different campuses. She asked the students if they wanted the Board to work with the Executive Branch, deciding whether these initiatives are so important that they should be funded from the General Fund. **Commissioner Stearns** reminded the group that if they hold growth to 5%, there will be absolutely no new initiatives because there just won't be enough money. She felt that if the initiatives are indeed that important, the Board should then ask the students if they are willing to fund these initiatives primarily, partially or not at all in this biennium. **Regent O'Loughlin** said she would bring up the Commissioner's questions to MAS within the next month. In looking at the list of initiatives, Regent O'Loughlin said, she felt the Legislature should provide funding since it is the Legislature's responsibility. **Deepu Philip**, MSU student, said the State benefits from students doing well in higher education. **Chair Foster** said he too was concerned about tuition. He would like as many initiatives as possible that can be covered by State funding. He asked what position the board wanted to take. **Regent Hamilton** asked for clarification on whether the initiatives should be stand-alone general fund or if some of the initiatives could be covered by tuition revenues. **Commissioner Stearns** responded yes, and some of the initiatives would have industry collaboration as well. She indicated she was very reluctant to have a small portion funded by increased tuition, unless there were direct recommendations from the students to do that. **Commissioner Stearns** requested the Board's guidance on any tuition component. **Regent Hamilton** asked if they chose not to allow tuition to support initiatives, would they then not proceed with any of these initiatives. **Commissioner Stearns** responded that is exactly the guidance she wants from the Board. **Regent Hamilton** said, from her perspective, the Board needs to be careful because some of the initiatives are so important, regardless of the funding source.

Public Comment

Eric Burke, MEA-MFT requested the Board identify gaps in the System Budget. He noted that contract faculty comprised the largest component of the Budget, and he believed the Board had not addressed the needs of this group. **Mr. Burke** questioned if a placeholder for a Pay plan increase of 3% was enough. He indicated that MEA-MFT wants a discussion on system-wide expenditure levels for contract faculty. **Mr. Burke** talked about the handout "Contract Faculty Expenditures in the Montana University System", and requested a more pro-active stance on salaries in discussions with the Governor's Budget Office. He gave the group a position paper, entitled "Faculty Salary Negotiations and the Montana University System: Shared Leadership!" and requested the Board of Regents work more closely with MEA-MFT.

END PUBLIC COMMENT

 **Regent Hamilton** moved to adjourn the meeting.

 **Motion passed** unanimously on 6-0 Vote.

With no further business to come before the Board, the meeting adjourned at **5:00 p.m.**

STAFF AND COMPENSATION COMMITTEE

The meeting of the Staff and Compensation Committee was **cancelled**.
