MUS Board Governance Framework

September 2016
Office of the Commissioner of Higher Education

Board Governance Framework

Set Mission Parameters

Mission Differentiation

Create a Cohesive Financing Plan

State Appropriations
(Allocation Methodology)

Align Policies

Tuition
(principles, policy, model)

Financial Aid

Operate Efficiency

Collaboration
(Shared Services)

State/System Level Planning

Excerpt from September 2009 BOR meeting --- NCHEMS, Dennis Jones Presentation. *Link to full presentation:* *Strategic Finance and Outcomes-Based Allocation Possibilities*

Short-Term Actions

- Create a Coherent Financing Plan
  - Align policies regarding appropriations to institutions, tuition, & student aid policies
  - Treat different sectors differentially

NCHEMS
slide 50

Mission Differentiation

Delineate broad expectations and attributes of institutions by defining ***mission parameters*** *that distinguish the roles of the campuses in the MUS.*

Two-year Colleges

Four-year Regional Universities

Flagships – Research Doctoral Universities

Mission Differentiation

Two-year Colleges

The Two-year Colleges in the MUS will possess a comprehensive community college mission, committed to providing ***transfer*** education through the associates degree, ***workforce development*** including certificates and applied science degrees, ***developmental*** and adult basic education, ***lifelong*** learning opportunities, and ***community*** development. These institutions will provide **affordable, open access admissions** that will allow opportunities for all Montanan's to access higher education.
(source: MUS Comprehensive Two-year Education Mission/Vision)

Two-year Colleges will pursue efficiencies by integrating operations with Four-year and Flagship campuses whenever and wherever possible.

Great Falls College | Helena College | Gallatin College | City College
Missoula College | Highlands College

Mission Differentiation

Four-year Regional Universities

EXAMPLE: The Four-year Regional Universities in the MUS offer comprehensive education primarily at the baccalaureate level in specific, regional niches that connect with economic development and industry demands within the state. These institutions are embedded with Two-year Colleges and programs that work to enhance the breadth of opportunity for students. When applicable, these institutions also offer select graduate-level programs. Admission polices define minimum levels of preparation that match the academic focus of the institution. (source: excerpts from the NV Strategic Plan 2003)

MSU Billings | MSU Northern | UM Western | MT Tech?

Mission Differentiation

Flagships – Research Doctoral Universities

EXAMPLE: The Flagship – Research Doctoral Universities are comprehensive research institutions offering education from the baccalaureate through the master's and doctoral levels. The universities will provide select graduate and professional programs, and doctoral programs will correlate with defined research and academic strengths. The universities will make significant contributions to new knowledge, economic development, and the culture of the state. These institutions are embedded with Two-year Colleges that work to enhance the breadth of opportunity for students. Admissions policies define specific preparation levels necessary for student success.
(source: excerpts from the NV Strategic Plan 2003)

University of Montana | Montana State University

Mission Differentiation

Special Focus Four-Year

EXAMPLE: Special Focus institutions possess a high concentration of degrees in a single field or set of related fields. *(Carnegie recognizes "special focus" institutions in Engineering, Health Professions, Business, Art and Law).* These institutions award bachelor's and higher degrees with typically more than 75% of degrees in a professional program. Admissions policies define specific preparation levels necessary for student success. (source: Carnegie Classification of Institutions of Higher Education)

Montana Tech

Information Resource

Two-year Colleges

Top 10 Degrees & Certificates Awarded by Campus, 2014-15

(categorized by major, by award level)

City College	% of total degrees =		67%
Major	**DEGREE/CERTIFICATE**	**#**	**%**
Registered Nursing	Associate Degree	41	15%
Practical Nursing	Associate Degree	31	11%
Welding & Metal Fabrication	Associate Degree	19	7%
Process Plant Technology	Associate Degree	17	6%
Computer Systems Tech	Associate Degree	15	5%
Welding & Fabrication	Cert of Technical Studies	15	5%
Med Coding & Insurance	Certificate of Applied Science	13	5%
Accounting Technology	Associate Degree	12	4%
Radiologic Technology	Associate Degree	12	4%
Fire Science	Associate Degree	10	4%
TOTAL # of Degrees Awarded		278	100%

Great Falls College	% of total degrees =		69%
Major	**DEGREE/CERTIFICATE**	**#**	**%**
General Education	Associate Degree	123	29%
Welding Tech & Fabrication	Certificate of Applied Science	45	11%
Practical Nurse	Associate Degree	29	7%
Physical Therapist Assistant	Associate Degree	17	4%
Accounting	Associate Degree	15	4%
Business Admin Mgt	Associate Degree	15	4%
Dental Hygiene	Associate Degree	15	4%
Dental Assistant	Certificate of Applied Science	12	3%
Healthcare Office	Cert of Technical Studies	12	3%
Pharmacy Technician	Cert of Technical Studies	12	3%
TOTAL # of Degrees Awarded		427	100%

Gallatin College	% of total degrees =		95%
Major	**DEGREE/CERTIFICATE**	**#**	**%**
Medical Assistant	Certificate of Applied Science	23	18%
Bookkeeping	Certificate of Applied Science	15	12%
Associate of Science	Associate Degree	14	11%
Aviation	Associate Degree	14	11%
Design Drafting Technology	Associate Degree	14	11%
Welding Technology	Certificate of Applied Science	14	11%
Associate of Arts	Associate Degree	11	9%
CNC Machining/Manufact.	Certificate of Applied Science	9	7%
Interior Design	Associate Degree	4	3%
Business Mgmt Professional	Cert of Technical Studies	3	2%
TOTAL # of Degrees Awarded		128	100%

Helena College	% of total degrees =		77%
Major	**DEGREE/CERTIFICATE**	**#**	**%**
Practical Nursing	Associate Degree	32	14%
Accounting & Business Tech	Associate Degree	29	12%
Welding Technology	Associate Degree	18	8%
Associate of Art	Associate Degree	17	7%
Registered Nursing	Associate Degree	16	7%
Diesel Technology	Associate Degree	15	6%
Fire and Rescue	Associate Degree	15	6%
Bookkeeping	Certificate of Applied Science	14	6%
Computer Technology	Associate Degree	14	6%
Associate of Science	Associate Degree	12	5%
TOTAL # of Degrees Awarded		235	100%

Information Resource

Two-year Colleges

Top 10 Degrees & Certificates Awarded by Campus, 2014-15

(categorized by major, by award level)

Highlands College	% of total degrees =		88%
Major	**DEGREE/CERTIFICATE**	**#**	**%**
PreApprenticeship Linemen	Certificate of Applied Science	24	19%
Accounting Technology	Associate Degree	17	13%
Metals Fabrication	Associate Degree	14	11%
Civil Engr Technology	Associate Degree	10	8%
Radiologic Technology	Associate Degree	10	8%
Associate of Science	Associate Degree	9	7%
Machining Technology	Cert of Technical Studies	9	7%
Welding Technology	Cert of Technical Studies	7	6%
Medical Assistant	Associate Degree	6	5%
Machining Technology	Certificate of Applied Science	5	4%
TOTAL # of Degrees Awarded		126	100%

Missoula College	% of total degrees =		66%
Major	**DEGREE/CERTIFICATE**	**#**	**%**
General (Associate of Art)	Associate Degree	118	24%
Practical Nursing	Associate Degree	35	7%
Registered Nursing	Associate Degree	35	7%
Computer Support Specialist	Certificate of Applied Science	31	6%
Information Technology	Associate Degree	28	6%
Surgical Technology	Associate Degree	18	4%
Heavy Equipment Operation	Certificate of Applied Science	17	3%
Medical Information Tech	Associate Degree	15	3%
Culinary Arts	Certificate of Applied Science	13	3%
Management	Associate Degree	13	3%
TOTAL # of Degrees Awarded		488	100%

Information Resource

Four-year Regional Universities

Top 10 Degrees & Certificates Awarded by Campus, 2014-15

(categorized by discipline area, by award level)

MT Tech	% of total degrees =		90%
Major/Discipline	**DEGREE/CERTIFICATE**	**#**	**%**
Engineering (undergrad)	Baccalaureate Degree	175	45%
Business/Business & Info Tech	Baccalaureate Degree	37	10%
Registered Nursing	Associate Degree	27	7%
Engineering (grad-level)	Masters Degree	22	6%
OCC Safety & Health	Baccalaureate Degree	22	6%
Registered Nursing	Baccalaureate Degree	16	4%
Industrial Hygiene	Masters Degree	16	4%
Geoscience	Masters Degree	14	4%
Computer Science/Network Tech	Baccalaureate Degree	13	3%
Biological Sciences	Baccalaureate Degree	8	2%
TOTAL # of Degrees Awarded		387	100%

MSU Northern	% of total degrees =		82%
Major/Discipline	**DEGREE/CERTIFICATE**	**#**	**%**
Registered Nursing	Associate Degree	43	15%
Education	Baccalaureate Degree	42	14%
Registered Nursing	Baccalaureate Degree	33	11%
Diesel Technology	Baccalaureate Degree	33	11%
Education	Masters Degree	23	8%
Business Administration	Baccalaureate Degree	21	7%
Diesel Technology	Associate Degree	13	4%
Agriculture Tech/Mechanics	Associate Degree	12	4%
Electrical Technology	Associate Degree	11	4%
Welding	Certificate of Applied Science	10	3%
TOTAL # of Degrees Awarded		295	100%

UM Western	% of total degrees =		93%
Major/Discipline	**DEGREE/CERTIFICATE**	**#**	**%**
Education	Baccalaureate Degree	90	23%
Associate of Arts/Science	Associate Degree	85	22%
Business	Baccalaureate Degree	54	14%
Early Childhood Education	Associate Degree	30	8%
Biology	Baccalaureate Degree	22	6%
Environmental Sciences	Baccalaureate Degree	19	5%
Natural Horsemanship	Baccalaureate Degree	17	4%
Health & Human Performance	Baccalaureate Degree	15	4%
Natural Horsemanship/Equine	Associate Degree	12	3%
Social Sciences	Baccalaureate Degree	12	3%
TOTAL # of Degrees Awarded		383	100%

MSU Billings	% of total degrees =		82%
Major/Discipline	**DEGREE/CERTIFICATE**	**#**	**%**
Business (Mkt, Acct, Fin, Mgmt, Gen)	Baccalaureate Degree	154	20%
Education	Baccalaureate Degree	109	14%
Associate of Science/Arts	Associate Degree	96	12%
Education	Masters Degree	89	11%
Liberal Studies	Baccalaureate Degree	49	6%
Psychology/Human Services	Baccalaureate Degree	38	5%
Applied Science	Baccalaureate Degree	28	4%
Criminal Justice	Baccalaureate Degree	28	4%
Public Relations/Communications	Baccalaureate Degree	25	3%
Health Administration	Masters Degree	23	3%
TOTAL # of Degrees Awarded		784	100%

Information Resource

Flagship, Research Doctoral Universities

Top 15 Degrees Awarded by Campus, 2014-15

(categorized by discipline area, by award level)

MSU Bozeman	% of total degrees =		76%
Major	**DEGREE/CERTIFICATE**	**#**	**%**
Engineering	Baccalaureate Degree	388	13%
Business	Baccalaureate Degree	231	8%
Nursing	Baccalaureate Degree	215	7%
Family & Consumer Science	Baccalaureate Degree	206	7%
Education	Masters Degree	203	7%
Biological/Biomedical Sci	Baccalaureate Degree	156	5%
Social Sciences	Baccalaureate Degree	131	4%
Visual & Performing Arts	Baccalaureate Degree	124	4%
Education	Baccalaureate Degree	120	4%
Agriculture	Baccalaureate Degree	101	3%
Engineering Tech	Baccalaureate Degree	85	3%
Psychology	Baccalaureate Degree	83	3%
Physicial Sciences	Baccalaureate Degree	75	3%
Health Sciences/Human Dev	Masters Degree	55	2%
Liberal Arts & Sciences	Baccalaureate Degree	52	2%
TOTAL # of Degrees Awarded		2924	100%

UM Missoula	% of total degrees =		70%
Major	**DEGREE/CERTIFICATE**	**#**	**%**
Business	Baccalaureate Degree	321	11%
Social Sciences	Baccalaureate Degree	249	9%
Physical Therapy	Professional	183	6%
Natural Resources & Conserv.	Baccalaureate Degree	181	6%
Education	Baccalaureate Degree	157	5%
Communications/Journalism	Baccalaureate Degree	155	5%
Psychology	Baccalaureate Degree	154	5%
Visual & Performing Arts	Baccalaureate Degree	147	5%
Law	Professional	84	3%
Biological/Biomedical Sci	Baccalaureate Degree	73	3%
Education	Masters Degree	69	2%
English	Baccalaureate Degree	68	2%
Social Work	Baccalaureate Degree	64	2%
Pharmacy	Professional	62	2%
Business Administration	Masters Degree	59	2%
TOTAL # of Degrees Awarded		2881	100%

State Appropriations

(Allocation Methodology)

Utilize a higher education financing model to connect the ***allocation methodology*** for state appropriations to ***tuition policy/principles*** and student ***financial aid*** in order to establish an effective policy lever for the Board *and* incentivize campuses to excel within their mission.

BOR Policy: 970.1 – Biennial Allocation of State Funding to MUS Campuses

- Allocation methodology for distribution of state funding to the MUS Ed. Units.
- Biennial lump sum funding detailed in the general appropriation act (HB 2), includes state general fund and six mill levy.
- Funding is appropriated to the Board of Regents on behalf of the university system units and is contingent upon the approval of a comprehensive operating budget by October 1 of each fiscal year. 17-7-138(2) MCA.

State Appropriations

(Allocation Methodology)

PROCEDURES *(pulled directly from Policy,…abbreviated)*

A. Allocation to Presidents. The methodology will result in the allocation of state funding to the President of the UM and the President of MSU. Each President will be responsible for recommending the allocation of funding to their respective affiliated campuses.

B. Three Year Average of Resident Student FTE's. The allocation will utilize an average of the resident student FTE count for the most recent three consecutive years, as recorded in the official MUS enrollment reports. The three year average resident student FTE calculation will be for the UM unit and the MSU University unit.

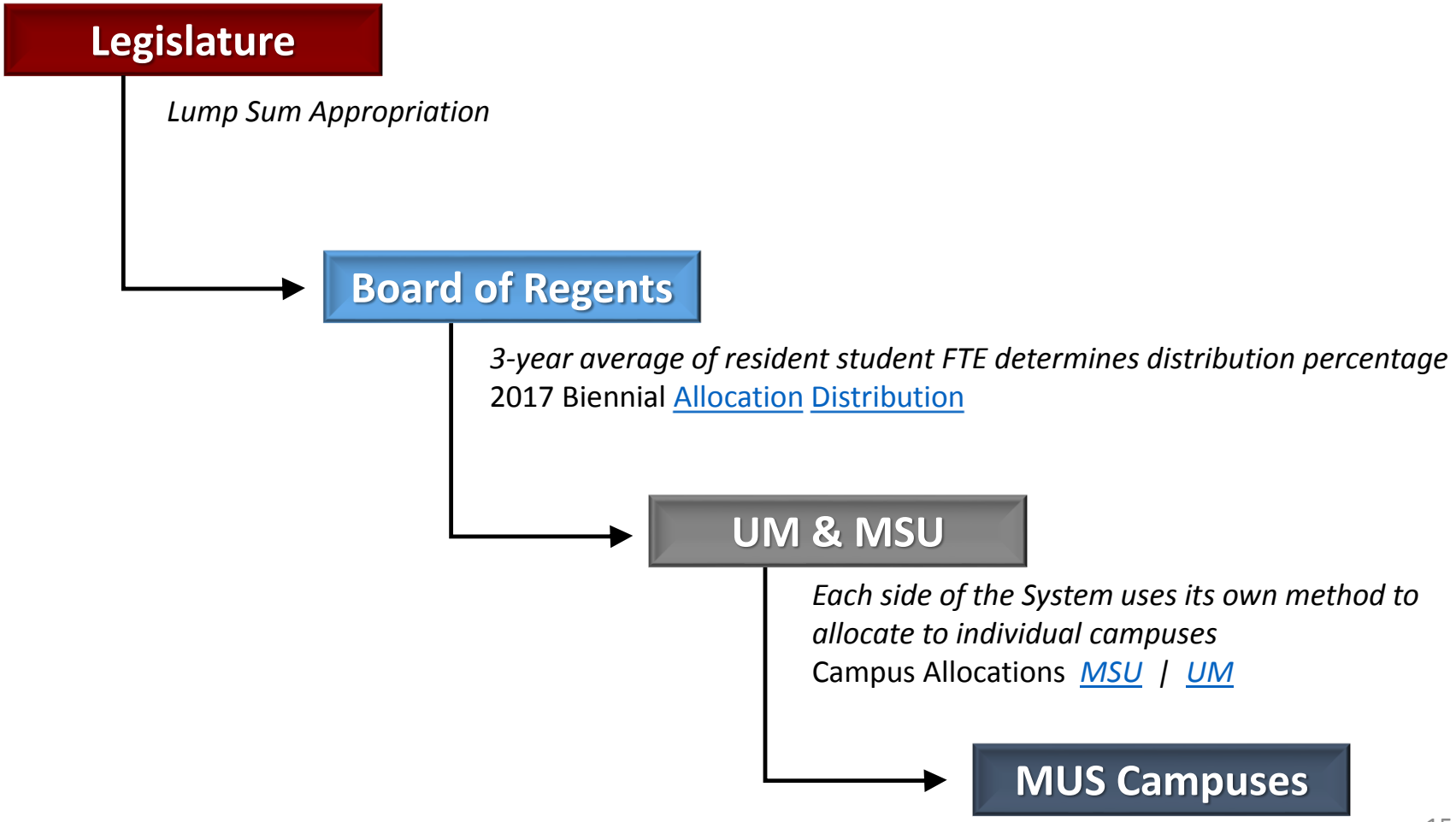
C. Biennial Computation. The allocation calculation and related allocations to affiliated campuses will be made once each biennium, subsequent to the adjournment of the legislature, and normally presented to the Board of Regents for approval at their May meeting in odd numbers years.

D. Board of Regents Discretionary Funding. The Board of Regents has routinely approved the allocation of a certain amount of funding from the Appropriation Distribution Transfers total to the OCHE. Such allocations have been utilized to address high priority MUS needs and/or programs.

E. Performance-based Funding. The Board of Regents may adopt certain institutional performance goals or measures and direct that a portion of the state appropriation be allocated based on the achievement of those performance goals or measures.

State Appropriations

(Allocation Methodology)



Tuition Building Blocks

Institutional Requirement (cost of education) - **State Appropriations** = **Required Tuition Revenue**

Tuition Policy Statement

BOR Policy Statement on Tuition 940.31

Established in March 2003

The Practice of Establishing Tuition *(set forth in Policy 940.31)*

A. As far as is practicable, the Board of Regents will establish tuition and fees for **two-year intervals.**

B. Campus recommendations to the board will flow from a campus governance process that includes campus hearings and opportunities for public and student input and will be presented in the context of the campus budget and strategic plan, taking into account the overall intended expenditures and their relationship to the priorities of the institution.

C. The Board will solicit recommendations on tuition levels from students and faculty and from campus and OCHE administrators as well as the public.

D. Campuses will have flexibility in the setting of tuition upon the demonstration to the board of special fiscal, infrastructure or market circumstances.

E. Incentives should be established to reward campuses that are successful in maintaining high quality programs with corresponding levels of tuition to assure access for qualified Montana students when tuition levels rise.

Tuition Policy Statement

BOR Policy Statement on Tuition 940.31

Established in March 2003

The General Goals of Tuition Policy *(set forth in Policy 940.31)*

A. Tuition should be set at a level that enables a campus to **maintain high quality programs** and services.

B. Tuition levels should not be so high as to make postsecondary education unaffordable for Montanans of modest means.

C. Access is a more important consideration at introductory levels since this is the gateway to all subsequent achievement. Thus tuition will generally increase as educational level increases.

D. Campuses will have the flexibility to differentiate tuition by program, sector and method of delivery to reflect the cost of providing education.

E. As far as practicable, tuition levels should be predictable. This helps students and their families plan for college expenses. It also helps campus administrators develop plans and goals within a realistic time frame.

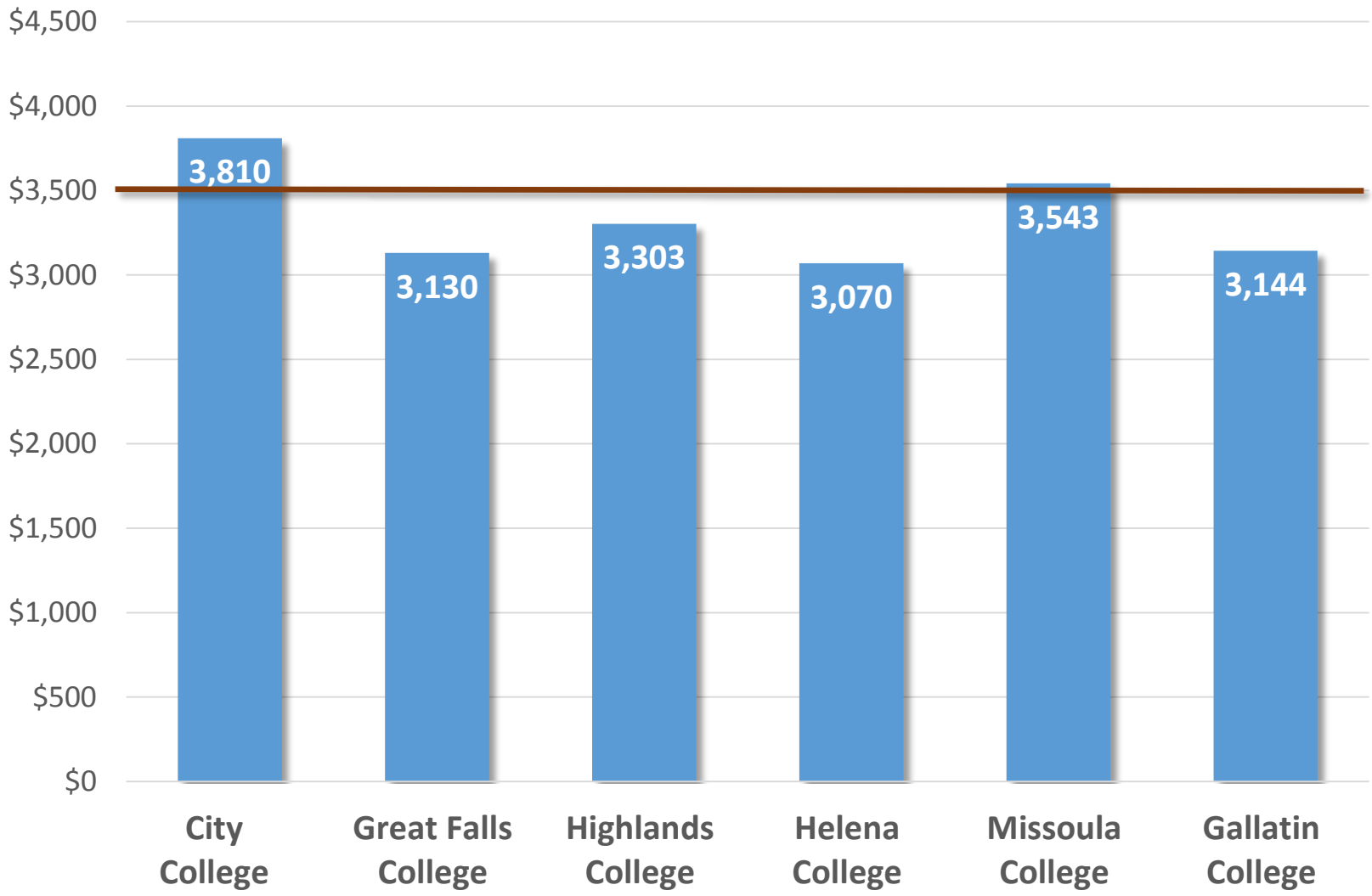
F. Tuition levels should be competitive with other comparable public institutions.

G. The issue of competitiveness is especially crucial in setting tuition levels for courses where access to the course is independent of a student's location (e.g., on-line courses).

H. The proliferation of fees should be avoided, and the incorporation of mandatory general fees into tuition levels should be more commonplace.

Tuition & Fees - Two-year Colleges, 2015-16

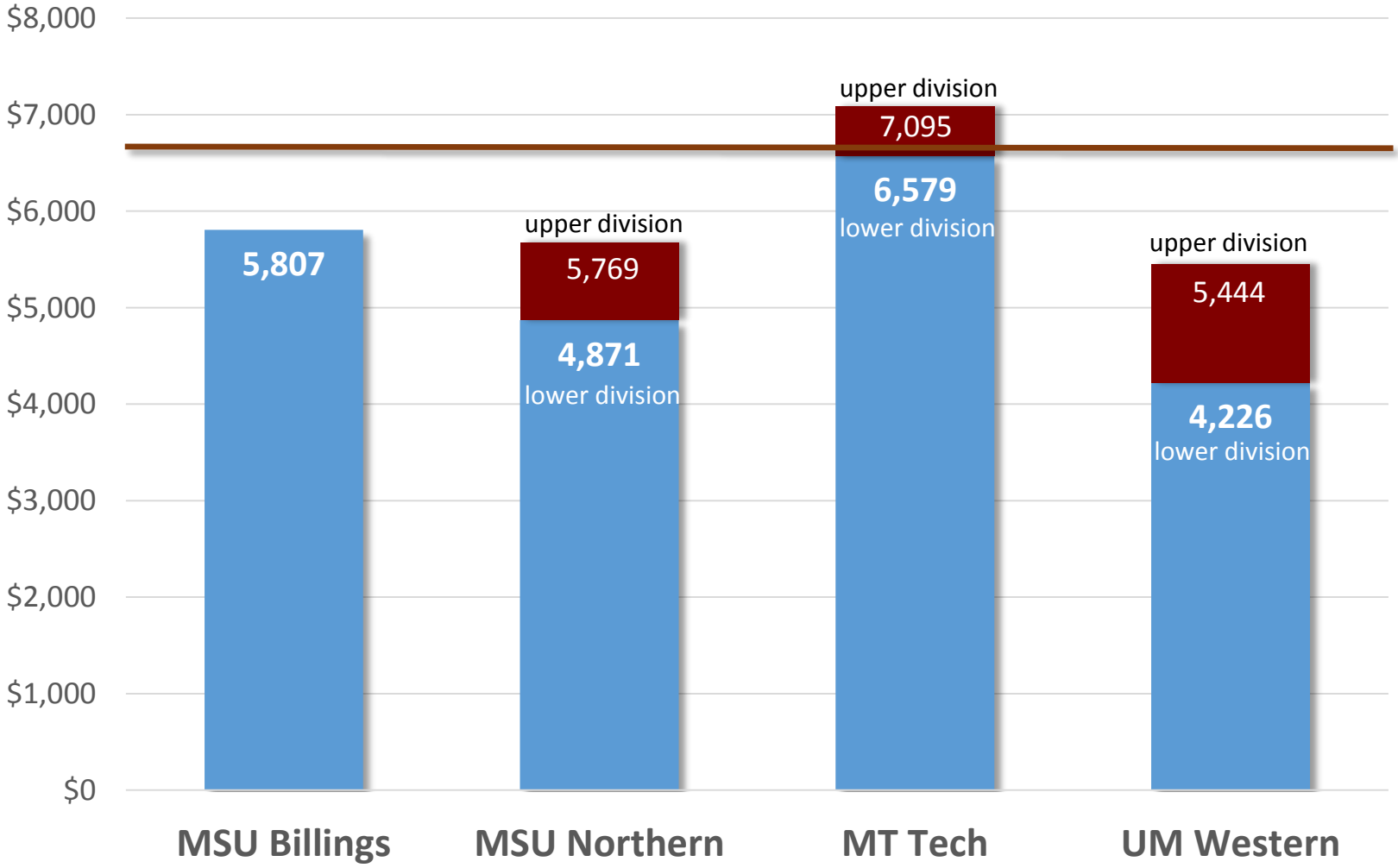
Academic Year Rates for Resident Undergraduate Full-time Students
(enrolled in 15 credit hours per semester or equivalent)



WICHE Regional Average = $3,494 (average of state-level aggregate amounts)

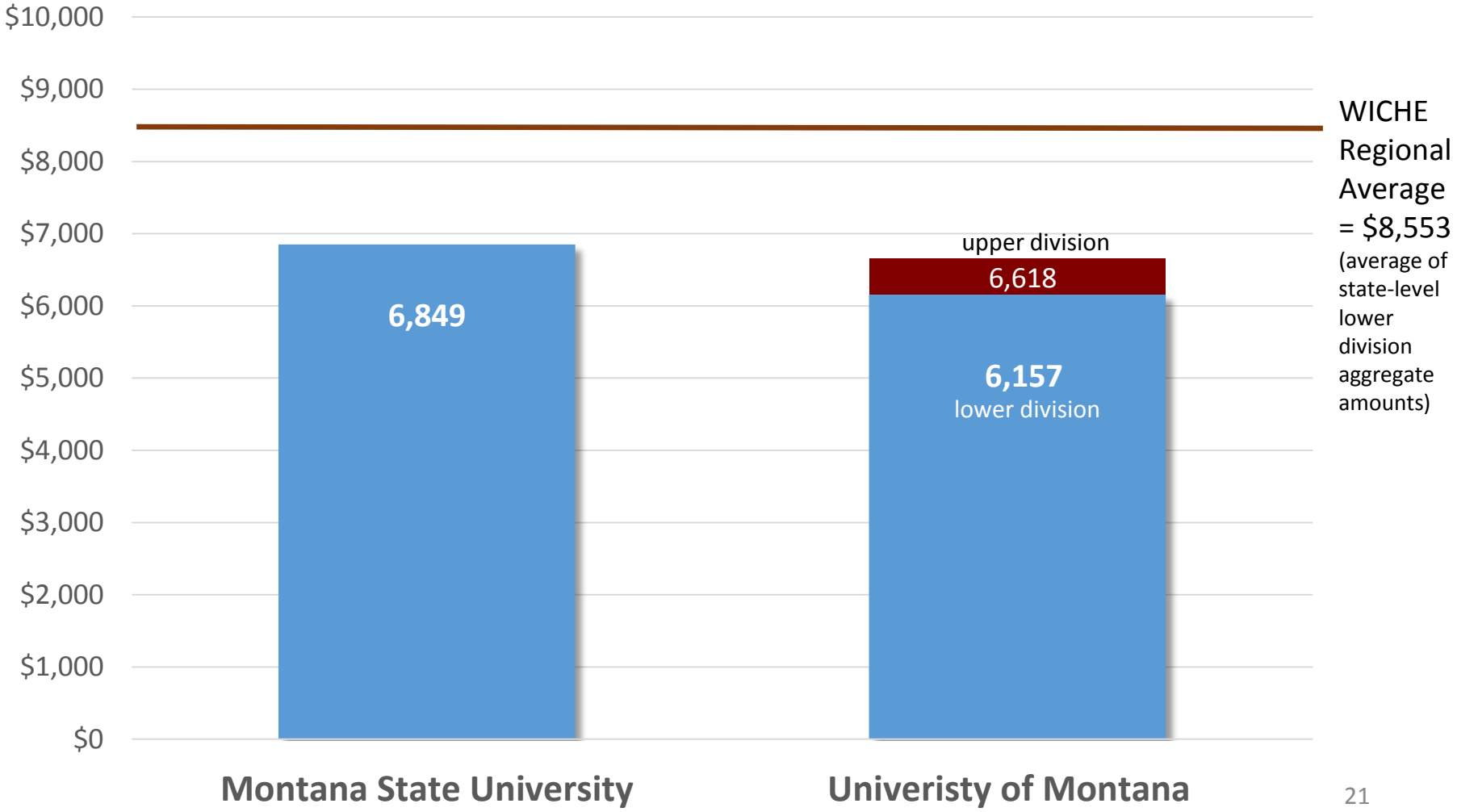
Tuition & Fees - Four-year Regional Universities, 2015-16

Academic Year Rates for Resident Undergraduate Full-time Students
(enrolled in 15 credit hours per semester or equivalent)



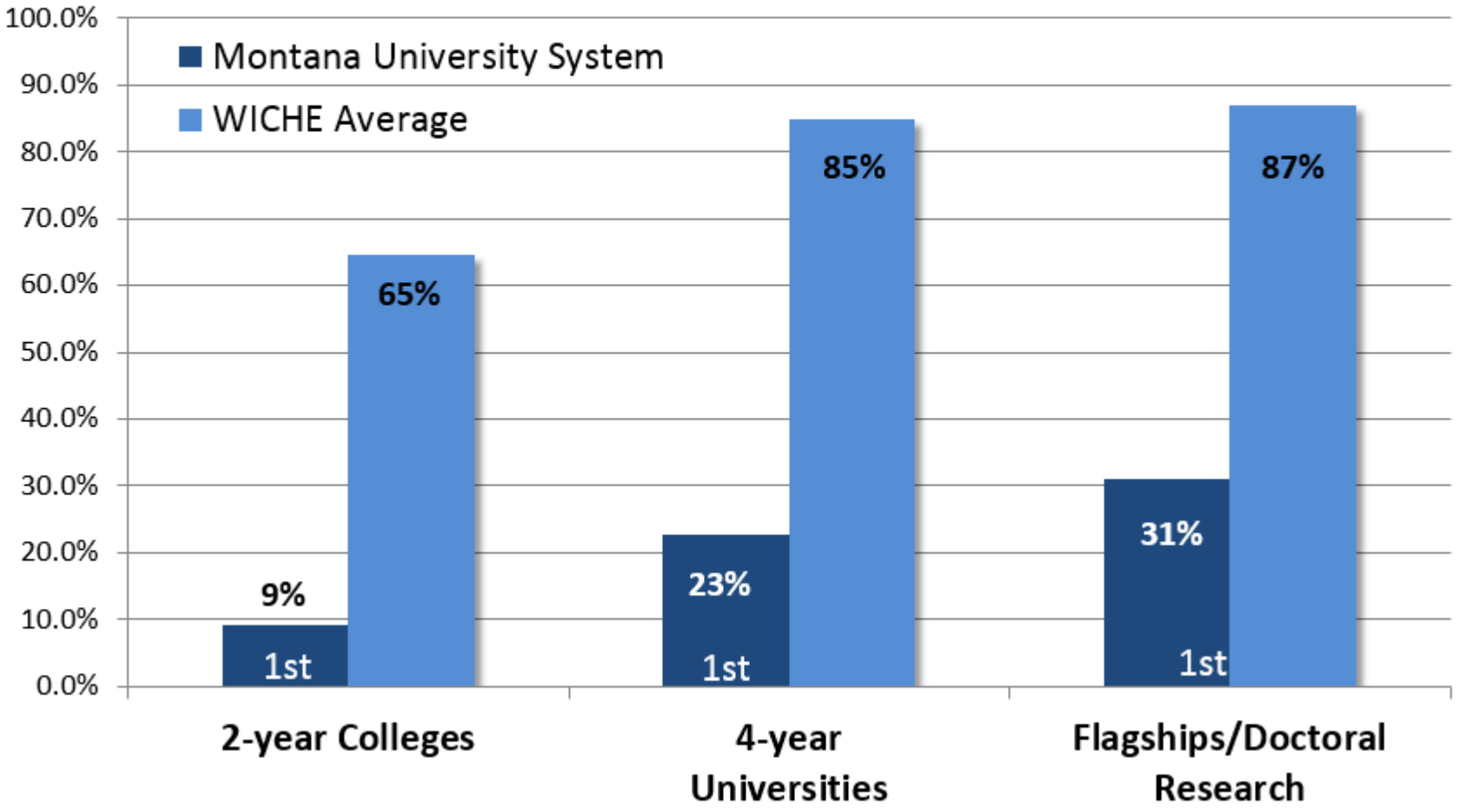
Tuition & Fees - Flagship, Research Doctoral, 2015-16

Academic Year Rates for Resident Undergraduate Full-time Students
(enrolled in 15 credit hours per semester or equivalent)



Regional Tuition & Fees Comparison

10 Year Increase in Academic Year Rates for **First-time, Full-time Resident** Students, 2006 to 2016

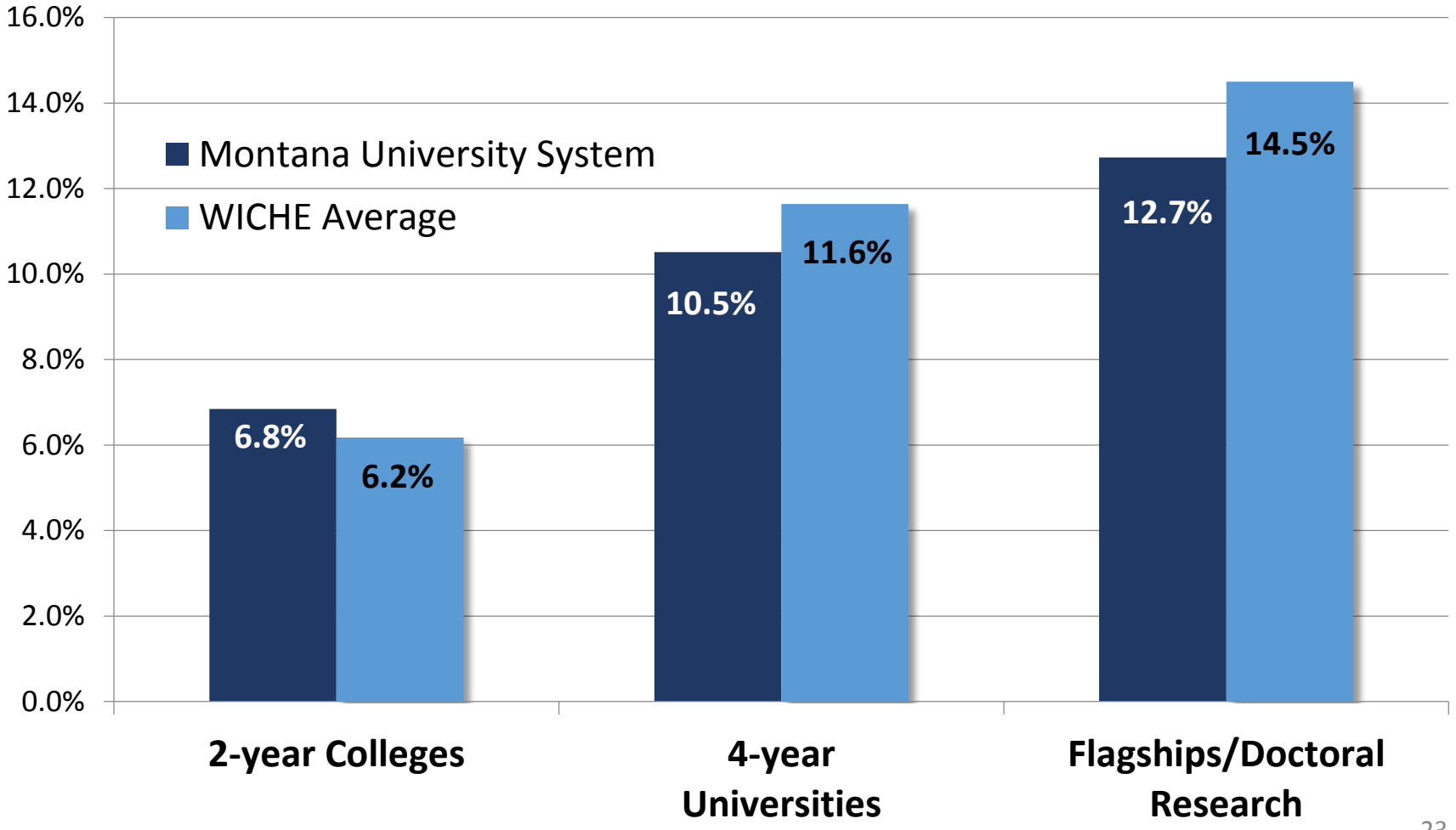


source: Western Interstate Commission for Higher Education

Regional Tuition & Fees Comparison

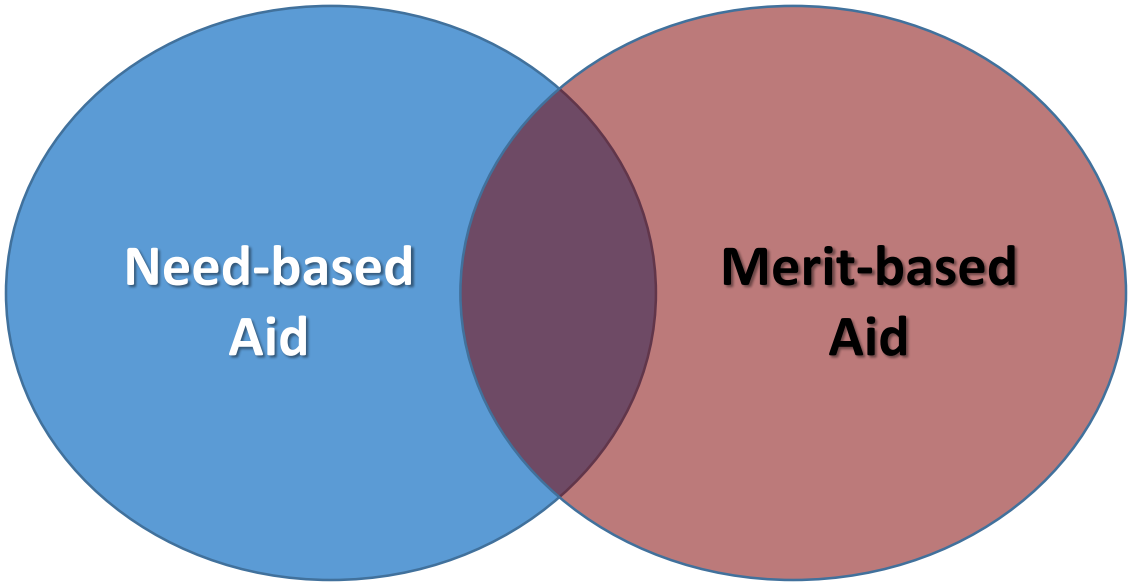
Ratio of Tuition & Fees to Median Household Income, 2015-16

(based on Academic Year Rates for First-time, Full-time Resident Students)



Financial Aid

Align and integrate financial aid policy with tuition and state appropriation distributions to ensure student access, enhance recruitment, and leverage state priorities



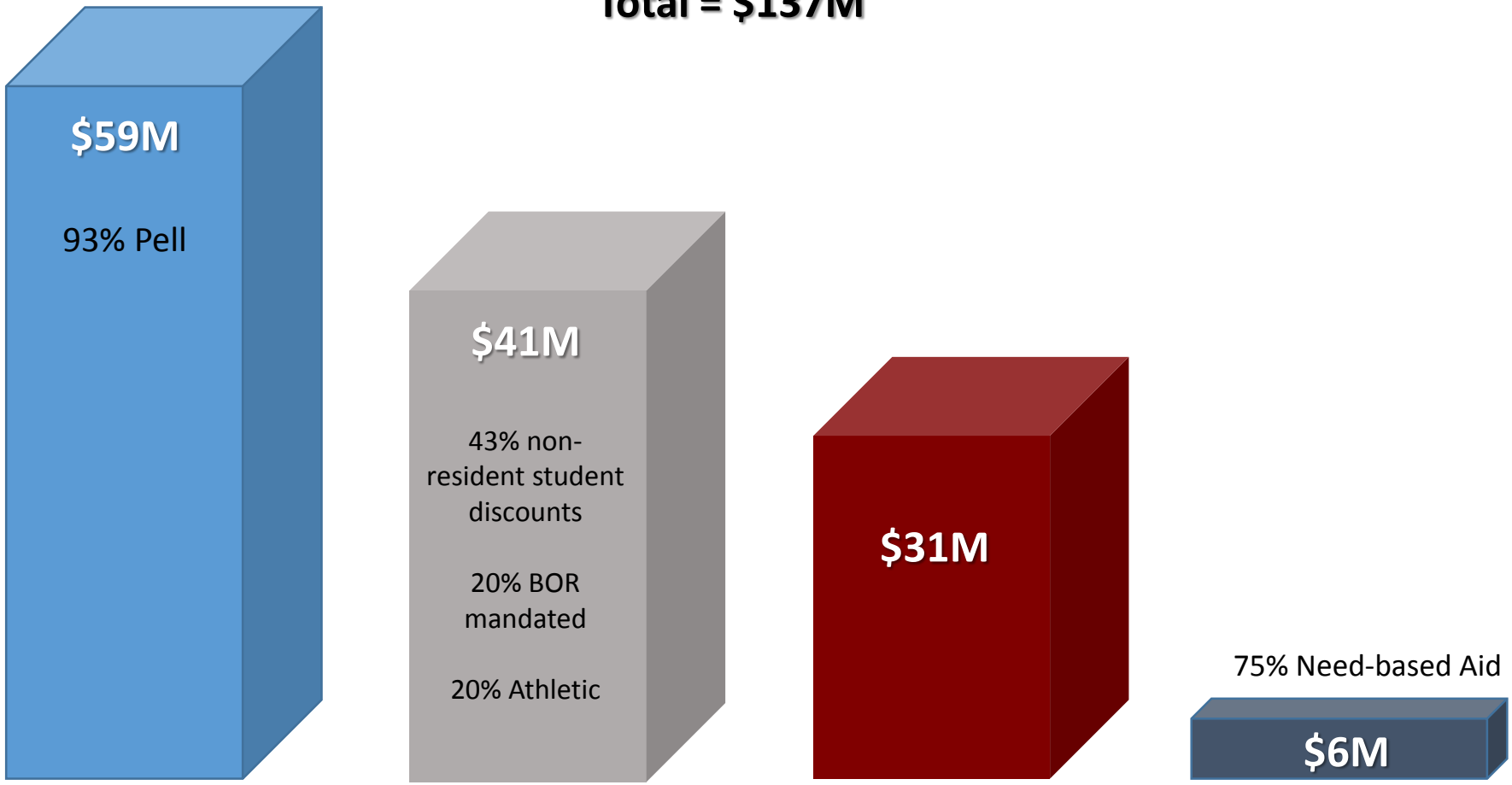
Designed to ensure students are not denied access due to finances

Used to attract students possessing particular talents (e.g. academic, athletic, etc..)

Financial Aid Awarded

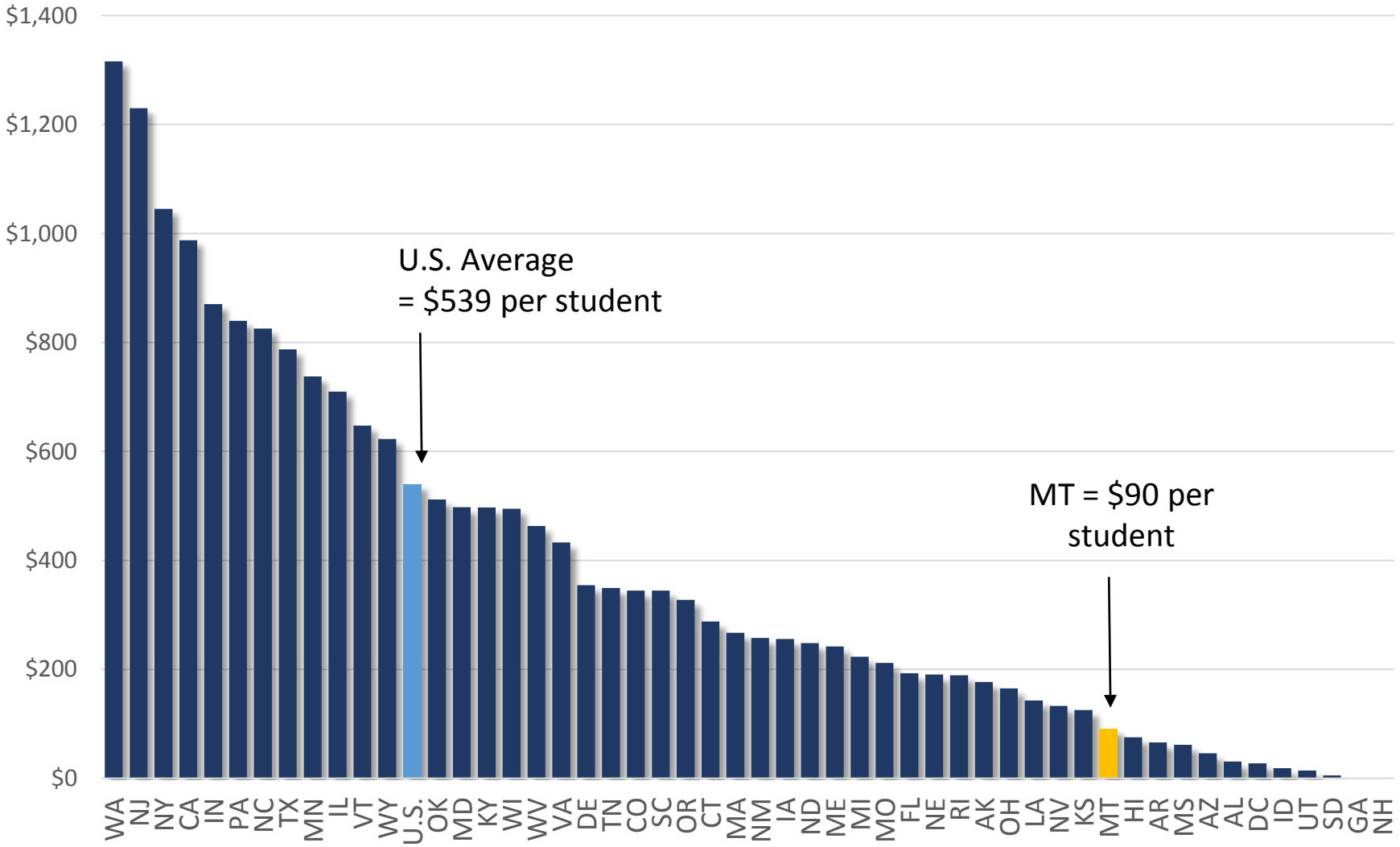
Includes all types of financial aid awarded in the MUS except loans; includes all grants, scholarships, waivers, and work study, 2014-15

Total = $137M



State Funded Need-based Grant Aid per Undergraduate FTE

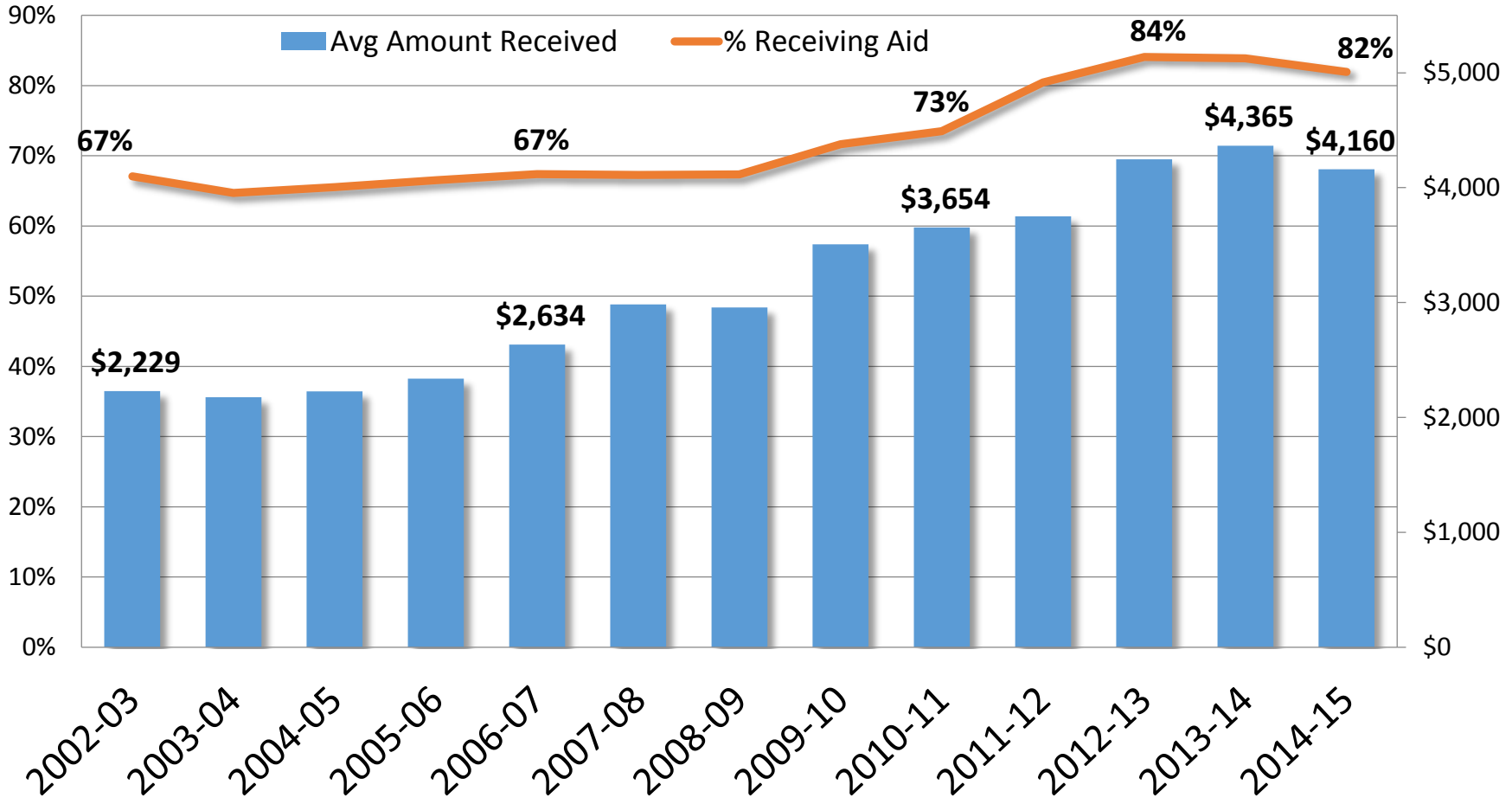
source: National Association of State Student Grant and Aid Programs, 2013-14



Financial Aid Received

Academic Year Aid Received by First-time, Full-time Resident Students

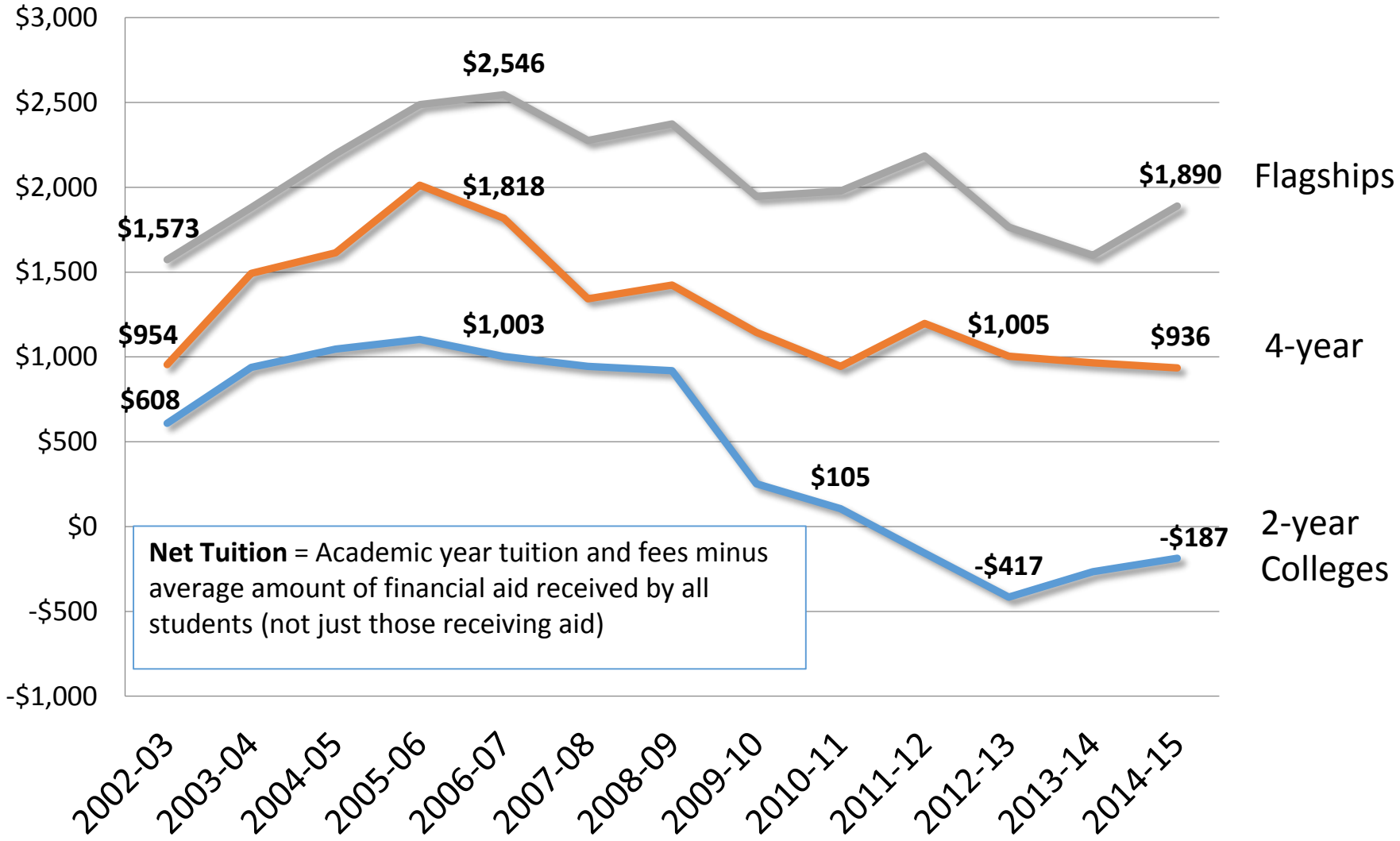
All Campuses



Financial Aid = all types of financial aid except loans, including all grants, scholarships, waivers, and work study; **Academic Year Amounts** = amount received in Fall and Spring semesters, does not include winter or summer sessions; **Average Financial Aid** = average amount received **by all students**, not just those receiving aid; source: MUS Data Warehouse

Net Price - Tuition & Fee

Academic Year Amounts for First-time, Full-time Resident Students



Net Tuition = Academic year tuition and fees minus average amount of financial aid received by all students (not just those receiving aid)

Financial Aid = all types of aid except loans, including all grants, scholarships, waivers, and work study

Shared Services

Promote collaboration between campuses through a shared services approach designed to find efficiencies in business services and work to reduce the cost of operations.

Collaborative effort between MUS campuses and the system office to pursue and achieve system-wide efficiencies

- strive to improve MUS administrative business and support activities to provide better service to students and faculty on every campus
- enable resources to be leveraged across the entire organization
- reduce duplication and costs to safeguard investments in core missions

Shared services projects could be categorized into three tiers:

- ***Knowledge and Communication:*** systematically identifying and sharing information, expertise, and best practices
- ***Joint Efforts and Partnerships:*** sharing the responsibility for providing services between existing positions or offices located on campuses/system office
- ***Consolidation and Centralization:*** consolidating services through one or more central locations

Shared Services

Initial Goals

- Improve service to constituents
- Leverage campus and employee expertise
- Improve compliance and financial / operational controls
- Utilize economies of scale to lower costs and improve efficiencies
- Establish more efficient and standardized processes
- Maintain location of expertise and processing of work on or near one or more MUS campuses.
- Make resource neutral or cost saving changes
- Avoid duplication of efforts
- Measure results

What this is not…

- A plan to eliminate jobs of existing employees
- Implementation of single system-wide instance of Banner
- Expansion of OCHE operations and staff

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Action Steps

Mission Differentiation
Define mission parameters for each category of campus in the MUS

State Appropriation – Allocation Methodology
Consider alternative methods that incorporate variations in program costs, size, and mission AND take into the consideration the total cost of education

Tuition
Reaffirm and enhance tuition principles; connect principles to quantitative benchmarks AND take into the consideration the total cost of education

Financial Aid
Strive to better connect financial aid to student need, based on campus type/mission

Collaboration
Adopt a Shared Services Initiative that annually identifies new services to be evaluated in order to achieve greater efficiencies and low operating costs