

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

November 1, 1974
Missoula, Montana

The Board of Regents of Higher Education met at 1:30 p.m., Friday, November 1, 1974, in the University Center, University of Montana, Missoula, Montana.

The meeting was called to order by Chairman Ted James. The roll was called by the secretary. Present were: Mr. Lewy Evans, Mr. John French, Mr. Gary Gallagher, Mr. T. T. Heberly, Mrs. Mary Pace and Dr. Lawrence K. Pettit.

Dr. Samuel Davis, Chairman of the Faculty Council of the Montana University System, noted that a correction to the minutes of the meeting held September 9, 1974, should be made on page one, paragraph four, lines eight and nine, to delete the words "President of the Faculty Senate at Eastern Montana College" after the name, "Professor Maurice Evans", and add the words, "a member of the Executive Committee of the Inter-Unit Faculty Council".

An omission was noted by Dr. Davis in the last paragraph on page twelve and he requested that on line three after the word "spouses", the following sentence be added: "He said the Board's expression of support regarding faculty fringe benefits have not generally been reflected by the Board's actions, specifically regarding faculty travel expenses for professional purposes, sabbatical leaves and fee waivers."

The minutes were approved as amended on motion of Dr. Pettit, seconded by Mr. Gallagher.

Dr. Davis stated the Faculty Council had no report at this

time.

Tom Stockburger reported that the Inter-unit Student Advisory Council had just held an organizational meeting and they would be providing input to the Board and the Commissioner on issues of general concern to students from time to time, but they had nothing to report at this time.

Dr. Pettit reviewed the pertinent facts on the three residency appeals. On motion of Mrs. Pace, seconded by Mr. Heberly the Board re-affirmed the non-resident status of Paula Smith.

On motion of Mr. Gallagher, seconded by Mr. Heberly the Board recommended that D. Scott Worthen be granted resident status at the beginning of fall quarter, 1974.

On motion of Mr. Gallagher, seconded by Mr. Evans the Board re-affirmed the non-resident status of Chris M. Anderson.

Regarding Item 6-005-R1174, Policy Regarding Inter-Unit Projects, Montana University System, Dr. Pettit stated that recently there had been developed two very large research projects involving two or more campuses and in each case the Commissioner's office and the Board of Regents were not involved in most of the important decision-making and planning stages. He said this proposal is to re-affirm the Commissioner's prerogative of authorizing these kinds of projects. The item was approved on motion of Mr. Gallagher, seconded by Mr. Heberly.

President DeMoney distributed a revised copy of Item 6-500-R1174, Staff, Montana College of Mineral Science and Technology. The item was approved on motion of Mr. Heberly, seconded by Mr. Evans.

Item 6-104-R1174, Central Receiving, Purchasing, and Property Control Facility, University of Montana, was approved on motion of

Mr. Heberly, seconded by Mr. Gallagher.

Item 6-105-R1174, Request for Administrative Reorganization, University of Montana, was approved on motion of Mrs. Pace, seconded by Dr. Pettit. Dr. Pettit said he felt this was a very well thought out and sensible program and represents the kind of prerogative that every new president should feel free to exercise.

President Bowers distributed copies of Item 6-106-R1174, Settlement of Claim by U. S. Department of Health, Education and Welfare for Restitution of Work-Study and Educational Opportunity Grant Funds, University of Montana, stating that this item was mailed to Board members after the agenda had been prepared. President Bowers said this was a request for the University of Montana to settle, from appropriate funds, a claim from the Department of Health, Education and Welfare. He said it was his suggestion at the present time that this claim be paid from building fee funds but he would like to have a week to study the possibility and feasibility of paying it from other sources. The item was approved on motion of Dr. Pettit, seconded by Mr. Heberly.

President Bowers read a prepared statement relative to intercollegiate athletics. (Attached as Exhibit 1)

The chairman asked if anyone had any comments to make regarding this matter. Tom Stockburger, President of the Associated Students of the University of Montana, said there had been some student research on whether or not certain expenditures should be made from reserves from building fees but those involved were attempting to work this out at the institution before bringing the matter to the Board of Regents. He said the students might have something to present to the Board at the December meeting.

At 2:05 p.m. Dr. Pettit moved that the Board recess, to convene in executive session to consider pending litigation and personnel matters. The motion was seconded by Mrs. Page and carried.

The Board reconvened in open session at 2:45 p.m.

For the benefit of the audience, the chairman introduced the members of the Board and Commissioner Pettit introduced members of his staff.

President Crowley distributed copies of Item 6-801-RI 174, Elimination of Building Fee Pertaining to Armory-Gymnasium, Northern Montana College, as an addition to the agenda. The item was approved on motion of Mr. Heberly, seconded by Mr. French.

Dr. Pettit reported there were three proposals submitted from Flathead Valley Community College that should be considered at this time if they are to be included in the budget request. He said John Bartlett, Interim President of Flathead Valley Community College, was present and he might wish to speak to these proposals. Mr. Bartlett introduced the three program directors, who described the projects in detail. It was agreed that these proposals would be reviewed by the academic vice presidents and the Curriculum Committee, after which time action could be taken by telephone if necessary.

The chairman stated that at the last meeting of the Board of Regents a tentative budget was adopted with the understanding that after the final enrollment figures were compiled the Board would meet again for the purpose of revising the figures in accordance with actual enrollments. He said he and the Commissioner met with representatives from the Governor's office and tried to impress upon them that this is the critical year for university system budgets. He said his personal opinion was that higher education should be

given the number one priority and that faculty salaries should be increased immediately rather than trying to achieve parity with other institutions in the Rocky Mountain region over a three-year period.

Dr. Pettit stated that when the actual enrollment figures were available the budgets would be revised upward. He said at least on one campus there has been considerable misunderstanding on what the Regents intended to do. He said the primary purpose of this meeting is to re-examine the budget; that the Governor and the State Budget Bureau had been advised of this intention; that the State Board of Education transmitted budgets of the agencies attached to it to the Governor on the same conditions, i.e. the right was reserved to revise the figures upward at a later date if necessary. He also pointed out that members of the Governor's staff had been quite cooperative on a daily basis in discussing budget matters, even though the objectives were different--the Budget Bureau wanting to hold the present figures and the Board and Commissioner wanting them increased. He said the Governor himself had not taken a position yet. He said he wanted to make it clear that the budget request is not already "cast in concrete" and this should have been understood all along. He read the following resolution adopted recently at the faculty meeting at Montana State University and asked that it be included in the minutes:

Whereas budgeting for Montana State University for the past several years has resulted in inexcusably large gaps between faculty salaries and the rising costs of living, and

Whereas the normal channels of communication of faculty concerns have not seemed nearly as effective as they should be:

We members of the Montana State University faculty most strongly urge that you carry to the Board of Regents at their meeting on Friday, November 1, 1974, the following considerations:

1. As a beginning base for budgeting, actual enrollment figures* for all units of the State University System be used.
2. The projection of average faculty salary increases for the Rocky Mountain region at 5.75% is inadequate.
3. The apparent failure of budgeting officials to recognize the degenerating faculty-student ratio, caused by increased student enrollments and decreasing faculty numbers, cannot be countenanced.
4. Increasing operational and other fixed costs can seriously attenuate the effectiveness of any budget increases unless taken into account.
5. The faculty of Montana State University will not be satisfied with "full formula funding," even with the use of actual enrollment figures, unless these aforementioned considerations are seriously and realistically taken into account.

*...actual enrollment figures... intended to be on the basis of FTE Students.

Dr. Pettit also read the following letter from Mrs. Dee Strong, Chairman of the Personnel Services Advisory Committee at Montana State University, addressed to the chairman of the Board of Regents:

Dear Mr. James:

The Personnel Services Advisory Committee at Montana State University feels the classified personnel of Montana State University, as well as the classified personnel at the other five units of the Montana University System, have the right to know whether they will be under the state classification system and, if so, to what extent the Board of Regents intends to back the system. It would be greatly appreciated if this item could be placed on the agenda for the November 1, 1974 meeting of the Board of Regents in Missoula.

We would also appreciate receiving a response at your earliest convenience.

Sincerely,

/s/

(Mrs.) Dee Strong, Chairman
Personnel Services Advisory Committee

cc: President McIntosh
Chairman, Personnel Board

Dr. Pettit said Mr. Noble would be discussing the personnel classification system when he makes his budget presentation.

Dr. Pettit said that even this preliminary tentative budget request would require a 49% increase in state general fund spending for higher education, which is the largest state increase requested by any Board. He said the frustration the Board is faced with is that even such an increase is not having the positive impact on the campuses which is needed. He said he felt the situation in the university system is more critical than that at the custodial institutions; that the Board would have to ask for an enormous increase just to pull the system up to a survival level and it would be necessary for the system to go to the legislature united; that it would have to be a total effort.

Jack Noble presented a chronological recap of the budgeting events and processes up to the present time, incorporating remarks about the enrollment and economic situation in Montana and some of the other Western states.

The chairman invited comments regarding the budget presentation. Each of the presidents expressed their appreciation for the work that had been done and the Board's intention to revise the figures. Tom Stockburger said the silence on the part of the students was not due to a lack of interest but that students felt the matter was in good hands and they would do whatever they could to support it.

The Board recessed at 3:40 p.m.

The Board reconvened at 4:00 p.m.

The chairman asked Jack Noble to explain the personnel pay plan. Mr. Noble said the plan calls for equity for classified personnel by January 1, 1975 based on the salary rate established by the

Department of Administration. He said when the original budget was formulated the personnel classification plan was not completed but it was understood that the entire appropriation for funding it would be proposed to the legislature separately and disbursed to the institutions. He said the pay plan data were made available just recently and apparently it will not be funded separately; that the exact impact on the budget for the university system is not known at this time but it will be of great magnitude. He said in light of these facts it seemed clear now that the Board should try to achieve faculty equity immediately if at all possible.

Dr. Pettit moved that the Board direct the staff in the Commissioner's office to re-calculate the budget and appropriations request figures on the basis of actual enrollments and other pertinent data, and that the budget request reflect an effort to achieve parity with other Rocky Mountain institutions for faculty salaries within one year rather than the previously determined three-year period. The motion was seconded by Mr. Gallagher and carried.

President McIntosh presented Item 6-206-R1174, 1975-77 Biennial Budget Revision for Montana State University, stating he did not feel it was inconsistent with the action just taken. He said he understood that the WAMI budget is now a part of the Montana State University budget and in many states medical education is funded separately; therefore he was requesting that the WAMI budget be presented separately. He said there had been considerable apprehension on the Montana State University campus which had been expressed in various ways and that he reported to the faculty that the Board had made a commitment to revise the budget in light of actual enrollments. He said Montana State University currently has the highest enrollment

in its history. Dr. Pettit suggested that this item be referred to his staff and the Budget Committee of the Board. Mrs. Pace so moved. The motion was seconded by Mr. Evans and carried.

Professor Jim Edie stated that he and Professor Jack Robbins were here to reflect the apprehension on the part of the Montana State University faculty but at the time they were delegated to do this the faculty did not realize the budget would be presented in this way. He said the Board surely could expect support from the Montana State University faculty under these circumstances.

President McIntosh reported that in order to implement the policy adopted by the Board respecting limited enrollment in the clinical portion of the nursing program at Montana State University, priorities had been adopted for enrolling students in the program. He asked Dr. Irving Dayton to comment on this. Dr. Dayton explained the process so that if questions were addressed to Regents they would understand the situation.

The next meeting was scheduled for the statutory date of December 9, 1974.

The meeting adjourned at 4:30 p.m.

STATEMENT ON INTERCOLLEGIATE ATHLETICS TO BOARD OF REGENTS

November 1, 1974

Since my arrival at the University of Montana, I have felt that there has been a dark cloud hovering over the entire University community. The cloud I refer to is the multifaceted controversy over intercollegiate athletics.

It is, in my opinion, an extremely divisive thing, having impact upon the entire University community. It would be impossible, I think, for a new president to fully understand the roots of this controversy. Nonetheless, I have attempted to become as well acquainted as possible with the issues involved. I have spent a large amount of time examining intercollegiate athletics budgets, briefing myself on the past history of intercollegiate athletics at the University of Montana, studying documents and articles dealing with the issues that this university and others face regarding intercollegiate athletics, and discussing various issues related to intercollegiate athletics with students, faculty, administrators and supporters of our intercollegiate athletic program. And I am now heavily involved in our response to an official inquiry by the National Collegiate Athletic Association.

As a result of these activities I have gained an appreciation of the complexity of the situation and I have arrived at certain conclusions which I will use as guides as the University attempts to conclude this affair and get on about its business under a hopefully less divisive atmosphere.

First, I have concluded that we should make every legitimate attempt to preserve intercollegiate athletics at the University of Montana and respond as rapidly as possible in bringing our support for women's intercollegiate athletics to a level commensurate with that of men's intercollegiate athletics. And in this regard I am convinced that if we are to preserve intercollegiate athletics we should be seeking ways to reduce expenditures on a national basis rather than looking for new sources of revenue.

There is considerable evidence that this is being recognized nationally.

Those institutions of higher education which have traditionally been able to finance their entire intercollegiate athletic program from gate receipts from football and basketball are finding it increasingly difficult to do so, and some, unfortunately I think, are looking to the elimination of so-called minor sports as a method of reducing costs. Other institutions of higher education, such as the University of Montana, which have not found it possible to finance their intercollegiate athletic program from gate receipts and which, as a result, have extracted funds in support of intercollegiate athletics from student activity fees are finding that static enrollments are not allowing them to keep up with inflation. Further, on a number of campuses, students are seriously questioning the use of student activity fees for intercollegiate athletics.

The difficulties universities face in financing intercollegiate athletics were recognized in a recent report to the American Council on Education on the status of intercollegiate athletics (An Inquiry Into the Need for and Feasibility of a National Study of Intercollegiate Athletics, George H. Hanford, A Report to the American Council on Education; March 1974) which stated:

"College sports are at a crossroads. Colleges and universities with major commitments to big-time football and basketball are finding it increasingly difficult to balance athletic income and expenses and to continue to finance other sports without tapping institutional resources. Rising costs and stagnant revenues are even now causing some college administrators to ponder the diversion of already scarce funds from other budgets to athletic activities. The overall penury in postsecondary finances is also challenging many other colleges and universities without big-time sports to make difficult choices about the scope and level of their athletic programs."

Many universities, I think, are gradually reaching the conclusion that athletic scholarships which are not based on financial need are no longer tenable. In a recent address at a meeting of the American Council on Education, President Lyman of Stanford University called upon institutions of higher education to tackle the problem of the "notorious practice of awarding generous grants-in-aid to student athletes without requiring any showing whatsoever of financial need." He went on to say that "the only serious argument that (he has) heard against this practice is the disgraceful one that we can't trust ourselves or our graduates to be honest. If this be so, how can we demand honesty of other segments of American life?"

My experience in academic life convinces me that we can trust ourselves and our students and that we must, on a national basis, re-evaluate and change our present practices regarding athletic grants-in-aid.

I intend to work within the Big Sky Conference and the National Collegiate Athletic Association towards the elimination of athletic scholarships that are not based on financial need. My discussions with other presidents have led me to believe that such a change is possible.

The recommendations concerning intercollegiate athletics recently adopted by the Montana Commission on Post-Secondary Education are, in my opinion, sound. I would urge the Board of Regents to adopt them. In particular, as recommended by the Commission, I believe the universities ought to limit the use of state funds to salaries of athletic staffs, travel expenses of staff members, maintenance of physical plant, office supplies and equipment, and conference fees and assessments.

A second conclusion I have reached is that the University of Montana made an error in its administration of federal student aid programs. However, I believe these were errors in interpretation of complex regulations. These errors were recognized by the University in its negotiations with the Justice Department and in the settlement recently reached. Although I was not a party to these negotiations nor to the decision to seek a settlement, I have concluded that this was a correct and

honorable course of action.

The remaining question is how will the University pay the \$175,000 settlement amount. To the best of my knowledge, only two options are open. The first would be to arrange for a payment of the \$175,000 over a period of years from the operating budget of the University. The other would be to pay the \$175,000 from building fees funds over a much shorter period of time. Although I recognize and respect arguments against the latter, the many other legitimate and pressing demands against the operating budget of the University force me to favor the use of building fee funds. And as you have been made aware in the opinion of legal counsel, these funds can be used for this purpose.

A third conclusion I have reached is that the positions of head football coach and athletic director ought not be filled by the same individual. Consequently, in connection with my recommendations on reorganization, and with the understanding of Mr. Swarthout, I recommend that the positions be split, and that the athletic director report directly to the president. If the reorganization proposal is approved, I will, as soon as feasible, initiate a national search for an individual to fill the athletic director position. It would be my intent to seek an individual who shares my concerns about the future of intercollegiate athletics and who will be committed to working for the reduction of costs of intercollegiate athletics on a national basis.

I have indicated to you my intent to work to preserve intercollegiate athletics at the University of Montana. It is my fervent hope that I will be successful in this endeavor and we will have a rational program, beneficial to the participants and the University as a whole. Rather than continuing to look behind, I would hope that we could begin to look and move forward.

Respectfully,
[Signature]

The University has a long history of providing a high quality education. To the best of my knowledge, only two options are open. The first would be to increase the payment of the \$12,000 over a period of years for the operation of the University. The other would be to pay the \$12,000 from existing funds over a two-year period of time. Although I recognize and respect arguments against the latter, the many other legitimate and growing demands against the operation of the University force me to favor the use of existing funds. And as you have been aware in the opinion of legal counsel, these funds can be used for this purpose.

A third solution I have pointed to that the question of had financial control and athletic director might not be filled by the same individual. Consequently, in consultation with my recommendations on reorganization, and with the understanding of Mr. Swartz, I recommend that the positions be split, and that the athletic director report directly to the president. If the reorganization proposal is approved, I will, as soon as possible, initiate a national search for an individual to fill the athletic director position. It would be my intent to seek an individual who shares my interest about the future of intercollegiate athletics and who will be committed to working for the reduction of costs of intercollegiate athletics on a national basis.

I have indicated to you my intent to work to preserve intercollegiate athletics at the University of Wisconsin. It is my fervent hope that I will be successful in this endeavor and we will have a national program beneficial to the participants at the University as a whole. Rather than continuing to look behind, I would hope that we could begin to look and move forward.