

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

DATE: December 12-13, 1985

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

REGENTS Morrison, McCarthy, Paoli, Redlin, Scully
PRESENT: Lind

REGENTS Thursday, December 12: Hurwitz, Lind
ABSENT: Friday, December 13: Hurwitz

PRESIDENTS Carpenter, Merwin, Dayton, Treadway
PRESENT: Bucklew, Tietz

PRESIDENTS None
ABSENT:

Minutes of Thursday, December 12, 1985

The meeting was delayed from its scheduled time of 1:30 p.m. because of hazardous road conditions. At 3:00 p.m., Chairman Morrison determined a quorum was present and called the meeting to order.

President Bill Merwin, Northern Montana College, introduced various faculty and staff members present to participate in NMC's presentation of their academic planning report. A video presentation on Northern Montana College titled "Designed To Be Different" was shown, followed by a review by President Merwin of the "Long Range Planning at Northern Montana College, Status

December 12-13, 1985

Report, 1985-1991" (on file) sent to the Regents with their agenda material. President Merwin reviewed the process that led to the development of the five-year goals and objectives. This included five priorities or themes designated by the President for each major area of the College, and the subsequent goal statements set out in the Appendix to the planning report. President Merwin responded to Regents' questions, and concluded the presentation with a request that Northern Montana College be granted authority by the Regents to proceed with the planning process.

Chairman Morrison stated that Eastern Montana College's academic planning report scheduled for presentation at this time would be postponed to the January 1986 meeting.

President Tietz reviewed Montana State University's academic planning report. He distributed copies of a publication titled "Honors Lecture, Common Texts", by Gordon G. Brittan Jr., Professor of Philosophy. President Tietz stated that at the request of the Directors he would include in the presentation the Mission Statement of the Montana Agricultural Experiment Station, and the Role and Scope of the Cooperative Extension Services. Copies of these documents were distributed to the Regents (on file). The final two documents distributed by President Tietz were a summary of four key programs requested by MSU in its Role and Scope presentation (Ph.d. in Computer Science; M.S. in Management; M.A. in English - Composition Theory and Practice; M.S. in Rural Sociology) and an accompanying map showing selected master's degrees at regional land grant universities (on file). MSU believes it is essential to put together programs that speak to the problems of rural Montana and include outreach in economic and community development.

December 12-13, 1985

President Tietz then presented an overview of Montana State University including where MSU has been in the past, where it is now, and what is hoped for in the future based on the primary goal of the University which is the education of young people. Upper division and graduate level degrees will continue to be emphasized at Montana State University, as well as providing quality undergraduate degrees.

President Tietz responded to Regents' questions on the core program, and how MSU is responding to the need to provide adequate services in high demand areas particularly at the undergraduate level. At the Regents' request, Anna Shannon, Dean of Nursing, discussed MSU's plans to respond to the likely change in the nursing program which would occur if and when all Registered Nurses are required to complete baccalaureate degrees in order to enter the profession.

The meeting recessed at 4:40 p.m. The Regents reconvened immediately in executive session.

Minutes of Friday, December 13, 1985

The Regents met in executive session from 9:05 a.m. to 11:10 a.m. on collective bargaining matters.

Chairman Morrison called the regular meeting to order at 11:15 a.m. Roll call was taken, and it was determined all Regents were present except Regent Hurwitz.

Chairman Morrison called for additions or corrections to the minutes of the previous meetings. None were stated, and the minutes of the October 24-25, 1985 meeting, the November 8, 1985 Conference Call Meeting, and the November 19, 1985 Conference Call Meeting were ordered approved.

December 12-13, 1985

Collective Bargaining Committee

Sue Romney, Director of Labor Relations and Personnel, stated two collective bargaining agreements were before the Board for ratification. Both were discussed in executive session, and both were recommended for approval.

On motion of Regent Lind, the tentative agreement with the United Association of Plumbers and Pipefitters was approved.

On motion of Regent Paoli, the Tentative Agreement between the University Teachers' Union and the University of Montana was approved.

President Bucklew spoke to certain elements in the agreement with the University Teachers' Union and the University of Montana. Mr. Jack Noble of the Commissioner's office was the chief negotiator, with Ms. Romney also participating. He stated the key element in that agreement was faculty compensation. He explained the faculty increases negotiated, and noted there has been a good deal of publicity on how the University will fund the increases. President Bucklew stated the increases will be funded from the personnel area. He referenced the UM Planning Report dated June, 1985, which was presented to the Board and discussed at a previous meeting. Page 10 of that report contained an outline showing how the University would be handling its budget for the biennium. That included setting aside funds for the pay bill, but not the additional adjustments in the negotiated agreement. The staffing review plan contained in the planning report was explained by President Bucklew, including a total of 15 reductions proposed in both faculty and non-faculty areas. To fund the base adjustments in the negotiated UTU

December 12-13, 1985

agreement it will be necessary to make additional adjustments in FTE. This will occur in the second year of the biennium, where an additional 5.5 positions will be taken out to fund the additional salary increases. The University is now half way through the first year of the biennium. Some of the funds needed for the increases for this year of the biennium will probably have to come out of other areas. The University may have to cancel or postpone projected campus enhancement , or the equipment pool may be reduced. President Bucklew stated the base adjustments will be handled by personnel adjustments. This was known on campus and known by the faculty in the bargaining process.

In response to a question from Regent Scully, President Bucklew stated the total number of faculty reductions for the biennium would be 16 1/2; 4 1/2 in the first year of the biennium, and 12 in the second. President Bucklew explained the majority would be in the faculty area, but some would be made in the fiscal area and in student affairs.

Residency Appeal

Chairman Morrison stated the next item for consideration by the Board would be the residency appeal of Diane Primo which was originally scheduled for 10:00 a.m. He determined it was the pleasure of the Board to hear the appeal, and that Ms. Primo was not present, but was represented by her attorney, Mr. Max Hansen, of Dillon, Montana.

Chief Counsel Shcramm presented the facts which led to the denial of Ms. Primo's appeal for in-state status for fee purposes as set out in the memorandum from the Commissioner to the Board dated December 3, 1985 (on

December 12-13, 1985

file). Mr. Hansen elaborated on his client's belief that establishing a bank account should qualify to start the residency clock running, and responded to Regent Scully's questions concerning the residency questionnaire.

At the conclusion of the discussion, Chairman Morrison called for additional questions or discussion from the Board. Hearing none, he asked for a motion. Regent McCarthy moved the Commissioner's decision denying Ms. Primo in-state status for fee purposes be upheld, and the appeal denied. The motion carried.

Curriculum Committee

President Tietz reported that during a recent trip to Japan, conversations were held with officials of Kumamoto University concerning the desirability of establishing a system-wide policy for student exchange. President Tietz distributed copies of the draft agreement sent to Kumamoto University (on file). Comments and editorial changes will be brought through the Council of Presidents to the Board. This policy affects only students, and is modeled after a similar agreement with the Kumamoto University of Commerce. Faculty agreements may be brought forward in April or May of 1986. The matter was presented for informational purposes only, and required no action at this time.

Action Agenda

Acting Commissioner Krause reviewed Item 49-203-R1085, Authorization to Grant the Degree of Bachelor of Arts in Interior Design; Montana State University. In summary, if this proposal is approved, three options within one degree would be changed to separate degree programs. The new degree would be offered by the faculty in architecture, rather than art. One additional

December 12-13, 1985

faculty member will be required. The estimated budget base increase of \$34,000 will be provided through internal reallocation over the next three years. Dr. Krause recommended the item be approved.

President Tietz and Vice President Knapp also spoke in support of the degree, and responded to Regents' questions.

On motion of Regent Redlin, Item 49-203-R1085 was approved, with Regent Scully voting no.

By-Laws and Policy Committee

Submission Agenda

Dr. Krause stated that Item 23-001-R0379, Indirect Cost Recovery Rate; Montana University System (REVISED) was discussed at some length in the Council of Presidents. Some additional modifications to the policy may yet be needed. Action on the item will be requested when there is agreement the policy accomplishes what is intended.

Action Agenda

Acting Commissioner Krause spoke to the reasons for the proposed rescission of Item 10-501-R0975, Role of the Montana Bureau of Mines and Geology. He explained the policy was adopted in 1975 primarily to create an Advisory Committee for the Bureau of Mines and Geology. This is the only advisory committee in the System specified in Board policy. Dr. Krause explained at issue is whether this advisory committee should be constituted like all others in the System, not the importance of the committee. The proposed change would require the president of Montana Tech to appoint an advisory council, which would be advisory to the institutional president and

December 12-13, 1985

the Director of the Bureau of Mines, not to the Commissioner or the Board of Regents. Dr. Krause noted he had met with members of the Advisory Committee last week, and they oppose his recommendation to rescind the policy. The Board had before it a letter from Mr. Roger Rice, member of the Advisory Council, to that effect. Dr. Krause concluded his review stating there is a clear need for an advisory committee for the Bureau. His recommendation for rescission assumes continuation of an advisory committee appointed by the institutional president, with specified terms of appointment, a clear statement of purpose, and a delineation of function.

Mr. Roger Rice, member of the Bureau's Advisory Council, presented testimony in opposition to rescission of the present policy. He explained the committee's belief that the Advisory Committee has a unique role in the organization of the Montana University System. In its broadest sense, the Committee considers itself as representing the people of Montana and not a narrowly defined professional group. The Committee believes it is essential for the Regents and the Committee to have direct access to one another. At its December meeting, a motion to retain the present role and scope of the Committee, and to retain the present name of "the advisory committee" passed unanimously.

Discussion included management problems created by the present constitution of the committee. Mr. Rice reviewed occurrences in the past when the committee was unable to communicate with the president of Tech or the director of the Bureau. The committee views itself as having oversight responsibilities for the Bureau.

December 12-13, 1985

Dr. Dayton reiterated that the plan is to keep a committee, though its name may be changed to "Technical Advisory Committee". He noted that is not the way the present committee looks at itself. The committee feels a strong responsibility for the furtherance of the Bureau of Mines, and does not feel it is simply a department of Montana Tech, but that the Bureau correlates with other state agencies. Dr. Dayton explained rescission of this policy is in part an attempt to forestall a move that surfaced several years ago that would have removed the Bureau from Montana Tech and made it a state agency. He stated his belief the Bureau is best served in its present position.

Chairman Morrison stated he believed it is time the Bureau became a part of Montana Tech and the System. The action proposed today falls under the guidelines the Board asked Acting President Dayton to undertake to bring the Bureau more in line and more a part of the System. There are resources the Bureau and Montana Tech can and should share. Lines of command have not been clear among the Bureau, the president of Montana Tech, and the Regents as to who is in charge. The Board wants to see that defined.

Hearing no further discussion, Regent McCarthy moved that Item 10-501-R0975 be rescinded. The motion carried, with Regents Scully, McCarthy and Redlin voting yes. Regents Lind and Paoli voted no.

Capital Construction Committee

Bill Lannan, Director of Special Projects, reported that in accordance with Regents Policy 1003.4.2, the Capital Construction Committee was requested and had

December 12-13, 1985

authorized increasing the funding in Item 49-101- R0984, Remodeling Work Within the Maureen and Mike Mansfield Library to Create an Office Suite for the Maureen and Mike Mansfield Center; University of Montana, from \$60,000 to \$65,500. In compliance with Regents' policy, such actions are required to be reported to the full Board.

Item 44-105-R0784, Development of River Front Parcels "A" and "B"; University of Montana, was reviewed by President Bucklew. The item seeks an increase in authorization for the riverfront development project originally approved in July 1984 from \$197,000 to \$325,000. President Bucklew explained the project has been delayed over one year, and the scope of the project has been increased to more completely develop the area. Funds are available from the proceeds of the 1984 Building Fee Bond Issue, including additional interest money earned through investment of the original amount scheduled for the project. A completion date of summer, 1986 is anticipated.

Regent Scully asked if this could be interpreted as using the proceeds of the bond sale for other than the intended purposes. The difference in the amounts make the project new from that standpoint. He asked what safeguards the Board has in the bonding process to prevent that from happening. President Bucklew explained this is one of a mix of projects on which use of the bond proceeds was authorized. Various factors have combined which caused a delay in the completion of this project, but the proceeds of the bond sale were at the same time accumulating interest. If this were a new project, or one inconsistent with the intent of the sale of the bonds,

December 12-13, 1985

that would be a problem. In this project, the University is dealing with the development of 10 acres on which it can do a little, or a lot. When the project is completed, the University will have one very fine playing field, one moderate, and one with turf only. The University believes this is a worthwhile project. All projects authorized in the bond indenture will be completed, but because of delays similar to this one, there is additional money realized through interest on investments, which allows expansion of some of the projects. Regent Scully asked what would happen to the interest money if expansion of projects was denied, and was told it would be used to pay off the bonds. No new projects could be authorized.

Chairman Morrison asked if there were further questions from the Board. Hearing none, he called for a motion. Regent Redlin moved that Item 44-105-R0784 be approved as revised. The motion carried.

Regent Scully stated for the record that he believed the Board should look very carefully at the practice of taking interest money and expanding projects in today's economic climate. He stated the Board's first priority is to assure that the bonds will be paid off, and the consequences of continued expansion of projects should be evaluated carefully.

Item 50-501-R1285, Transfer of Property to the Board of Regents from the Montana Tech Foundation; Montana College of Mineral Science and Technology, was reviewed by Acting President Dayton. He explained 15 acres in the Butte Industrial Park would be transferred from the Foundation to Montana Tech for its use and benefit. The land is located near the Mineral Research Center, and would be beneficial to that Center in its research activities. He urged approval of the item.

December 12-13, 1985

Regent Scully asked if there was wording in the agreement that would protect the Board in the event it was discovered later that activities harmful to the environment had occurred on the property. It was the consensus that the issue had not been raised in the past, and the question had not been asked relative to this transfer. Chairman Morrison concurred with Regent Scully's concern. Discussion was held on what would be necessary in future land transactions to assure the Board did not assume liability and responsibility for environmental damage occurring in the past. Regent Scully stated a clause should be inserted in future contracts protecting the Board from such liability.

On motion of Regent Redlin, Item 50-501-R1285 was approved.

A revision of Item 50-203-R1285, Authorization to Proceed with the Proposed Wood Pellet Boiler Retrofit Project; Montana State University (REVISED) replacing the item sent with the agenda was reviewed. The item was discussed at length at the October 1985 meeting. The item would authorize Montana State University to develop the project to the point where it could be presented to the Legislative Finance Committee for review and comments. Following that, MSU and the Board would make the final decision regarding implementation of the project. On motion of Regent Redlin, the revised item was approved.

Item 50-205-R1285 MSU/Endowment and Alumni Foundation Advanced Technology Park Land Exchange; Montana State University, was reviewed by Dr. Krause and Chief Counsel LeRoy Schramm. Dr. Krause stated the item gives Board approval for an exchange of land between MSU and the

December 12-13, 1985

MSU Foundation. This final agreement amends and supercedes the preliminary agreement adopted by the Board on June 21, 1985 in Item 47-205-R0685. The land received by the foundation will be restricted to development of an Advanced Technology Park. The item before the Board today is the product of discussion among the people from MSU, the Foundation, and the Commissioner's office, and comes with their endorsement.

Chief Counsel Schramm noted the Exchange Agreement which the item approves mentions appraisals of the property. These are quite bulky, and were not submitted, but are available. According to those appraisals, the value of the lands exchanged is approximately equal. The Development Manual referenced in the Exchange Agreement was also not submitted because of bulk, but contains specifics as to height of buildings, set-backs, landscaping, and development of the park generally. Dr. Schramm distributed copies of Exhibit 1 - Parcel A containing the legal description of the Endowment Alumni Foundation land acquired by MSU.

The major restrictions are contained on page 2 of the Exchange Agreement, and are intended to assure that the land received by the Foundation is used for the establishment of a research park compatible with and helpful to Montana State University.

Mr. Schramm stated it is not unlikely the Foundation will transfer some or all of this land as time goes by. There are no restrictions on transfer, but are on use of the land. Those conditions apply to anyone succeeding the Foundation. The Foundation probably will not manage and develop the park, but may transfer that responsibility to another entity.

December 12-13, 1985

Dr. Schramm concluded he believed the agreement before the Board satisfied the concerns raised in previous discussions regarding the land exchange and the establishment of the Advanced Technology Park, and recommended its approval.

On motion of Regent McCarthy, Item 50-205-R1285 was approved.

Budget Committee

Jack Noble reviewed Item 50-204-R1285, Request Approval to Provide Health Services to Non-Student Spouses; Montana State University. He explained the Council of Presidents discussed the item at its last meeting, and asked that it be placed on the Regents' Submission Agenda until issues of liability and other implications involved in providing health services to non-students could be determined.

President Tietz stated if there are no serious concerns with the policy, MSU would like tentative approval to implement the proposal at the beginning of the next quarter. He had discussed this request with Chief Counsel Schramm and others as to potential liability, and explored the proposal's effect on the Bozeman medical community. No objections to its implementation were raised in those discussions.

Chief Counsel Schramm explained at the Council meeting he had requested the item not be acted on at this meeting under the mistaken impression the request was to expand coverage of student health insurance to spouses. As was pointed out in later discussions, the item authorizes only access to the student health clinic for non-student spouses. Children of students are not included in the proposal.

December 12-13, 1985

After discussion, other presidents stated their preference would be to have the item remain on the submission agenda as agreed on in the Council of Presidents to give them time to determine the implications such a proposal would have on their campuses. Regent Scully questioned what leverage MSU would have in collecting bills from non-student spouses. President Tietz responded that would follow the normal collection routes.

At the conclusion of the discussion, it was the recommendation of Acting Commissioner Krause that the item remain on the submission agenda at this time, and no action be taken. The item will be placed on the action agenda at the January 1986 meeting.

Item 50-601-R1285, Student Insurance Plan, Western Montana College, was reviewed. The item authorizes a mandatory student health insurance fee with right of waiver to be effective spring semester 1986. Both WMC students and the administration believe there is an urgent need for a student health insurance plan which would more adequately meet present student needs. Materials indicating strong student support and details of the new plan which would be funded by the mandatory fee were distributed (on file). Keystone is the carrier selected, and is also the carrier of the insurance plans of Montana State University and Montana Tech. On motion of Regent Scully, the item was approved.

Item 50-602-R1285, Final Bond Resolution; Western Montana College, was reviewed by Mr. Noble. The item provides the means by which Western Montana College can avail itself of approximately \$100,000 under the Regents' umbrella equipment indenture. The funds will be used to complete equipping the instructional microcomputer

December 12-13, 1985

lab and classroom. The memorandum to Jack Noble from Glen Leavitt dated November 21, 1985 (on file) itemized the equipment to be purchased, and details of the debt service. On motion of Regent McCarthy, the item was approved.

New Business

Commissioner's Report

Acting Commissioner Krause reported on a recent WICHE meeting he had attended, and distributed copies of the new summary of WICHE program support fees and numbers of participants in the program.

Dr. Krause also reported on the approximately \$130,000 grant received for teacher training in the System. The grants will be awarded next month. All units involved in teacher education are participating in the grant program, as well as Dawson Community College.

The Regents' spring workshop has been tentatively scheduled on April 17-18, 1986. No location has been determined.

Dr. Krause reported on conversations he has had with citizens of Great Falls who wish the University System to expand its services in that area. A meeting is scheduled in early January to determine what the groups interests are. Dr. Krause will keep the Regents informed.

A request has been received to explore a reciprocity agreement between North Dakota and Montana. The matter was discussed briefly at the last Council of Presidents, and will be on the agenda for discussion at the December Council meeting. If there is interest in pursuing such an agreement, it will be brought to the Board for discussion.

December 12-13, 1985

Acting Commissioner Krause noted that the Montana Tech Presidential Search Committee has screened the candidates to twelve. That committee will meet again in mid-January and determine five or six candidates to be brought in for interview.

The Board of Public Education, Superintendent of Public Instruction, and Faculty Association had no reports.

Mr. Mike Mortier, President, Montana Associated Students presented a resolution addressing the issue of federal financial aid as defined in the Reauthorization of the Higher Education Act. As recently passed by Congress, the reauthorization contains a proposed definition of self-supporting students which excludes needy students below an arbitrarily selected age from being recognized as independent except in unusual circumstances. The Montana Associated Students requested the Regents adopt the following resolution and send it to Montana's Congressional delegation before the Senate acts on the reauthorization:

WHEREAS: The Board of Regents of Higher Education is the competent body for determining priorities in higher education in Montana;

WHEREAS: One of those priorities in higher education is maintaining accessibility to all students; and, Federal Financial Aid is a key to that accessibility;

WHEREAS: The degree of Federal Financial Aid is presently being defined by the Reauthorization of the Higher Education Act; and, there are over 15,000 students of higher education in Montana who will be affected by the Reauthorization Act.

December 12-13, 1985

THEREFORE BE IT RESOLVED BY THE MONTANA BOARD OF REGENTS OF HIGHER EDUCATION THAT:

The Board publicly supports legislation with regard to Financial Aid that will:

- a) Maintain or increase levels of accessibility for Montana's students;
- b) Take into consideration the changing demographics of Montana's college students;
- c) Determine award considerations based on an applicant's economic status rather than arbitrary age limits.

On motion of Regent Scully, the resolution was adopted. The Commissioner will send the resolution to Montana's congressional delegation.

Chairman Morrison stated for the Regents' information that because the Legislature doubled the Regents' per diem in the last legislative session, but did not increase the funding, there is no money remaining in the budget. For the remainder of the biennium, the Regents will receive travel expenses only.

Regular Agenda

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

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| Item 50-100-R1285, | <u>Staff; University of Montana</u>
(Includes one post-retirement contract) |
| Item 50-200-R1285, | <u>Staff; Montana State University</u> |
| Item 50-201-R1285, | <u>Retirement of Dr. George Roemhild; Montana State University</u> |
| Item 50-202-R1285, | <u>Post-Retirement Contract; Donald R. Reichmuth; Montana State University</u> |
| Item 50-300-R1285, | <u>Staff; Agricultural Experiment Station</u> |

December 12-13, 1985

Item 50-301-R1285,	<u>Retirement of Dr. A. M. El-Negoumy; Agricultural Experiment Station</u>
Item 50-400-R1285,	<u>Staff; Cooperative Extension Service</u>
Item 50-500-R1285,	<u>Staff; Montana College of Mineral Science and Technology (ADDITION TO AGENDA)</u>
Item 50-500A-R1285,	<u>Staff; Montana Bureau of Mines and Geology</u>
Item 50-600-R1285,	<u>Staff; Western Montana College</u>
Item 50-700-R1285,	<u>Staff; Eastern Montana College (WITH ADDENDUM)</u>
Item 50-901-R1285,	<u>Staff; Office of Commissioner of Higher Education</u>

The meeting adjourned at 12:50 p.m. The next regularly scheduled meeting of the Board of Regents is January 30-31, 1986, in Dillon, Montana.

APPROVED:

Chairman, Board of Regents of
Higher Education
Montana University System


Secretary