

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

DATE: January 30-31, 1986

LOCATION: Mathews Hall
Western Montana College
Dillon, Montana

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

REGENTS
ABSENT: Thursday, January 30: Redlin, Paoli
Friday, January 31: Redlin

Thursday, January 30
PRESIDENTS
PRESENT: Carpenter, Tietz, Treadway, Dayton,
Vice President Brown for President Merwin
Vice President Habbe for President Bucklew

Friday, January 31
Carpenter, Dayton, Tietz, Treadway, Merwin
Vice President Habbe for President Bucklew

Thursday, January 30
PRESIDENTS
ABSENT: Bucklew, Merwin

Friday, January 31
Bucklew

Minutes of Thursday, January 30, 1986

Chairman Morrison called the meeting to order at 2:55 p.m.

President Carpenter, Eastern Montana College, reviewed EMC's Academic Planning Report sent to

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the Board with the agenda material (on file). At the conclusion of the review, President Carpenter stated he was not asking the Board to approve any new programs at this time. The Board is asked to think about the areas indicated in the report and to let EMC know if these areas are appropriate so proposals can be brought to the Board for consideration. President Carpenter spoke briefly to the current financial situation in the state, and the impact it will have on planning for the future. He stated his belief the System has to be proactive, rather than reactive. The System must act wisely in the next few years or it will be unprepared to meet the needs and desires of students in the next decade. Difficult decisions have to be made on the appropriate areas for the College to pursue, and it is very important those decisions be made. President Carpenter stressed the Board is not being asked by any of the units to say yes or no to specific proposals in the academic planning reports, but rather to give the units a sense of whether the direction presented in the reports is that which the Board perceives the units should follow.

President Carpenter responded to Regents questions on the report, and on land use and development at EMC.

At the conclusion of the discussion, Acting Commissioner Krause stated all units have now presented their academic planning reports to the Board. Recommendations based on those reports will be brought to the Board at the March 1986 meeting. It is important that role and scope issues raised in the planning reports be resolved and direction given to the campuses so proposals can be brought forward when appropriate. Under Montana's current

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economic conditions, it is recognized that even appropriate proposals will receive severe scrutiny, and approval of direction does not assure approval of specific proposals. Preparation of such proposals without the Board's direction on role and scope issues would be an inappropriate use of the System's scarce resources.

The meeting recessed at 3:20 p.m. The Board reconvened in executive session at 3:25 p.

Minutes of Friday, January 31, 1986

Chairman Morrison called the meeting to order at 9:10 a.m. Roll call was taken and it was determined a quorum was present.

Chairman Morrison called for additions or corrections to the minutes of the previous meeting. None were stated, and the minutes of the December 12-13, 1986 meeting were ordered approved as mailed.

Chairman Morrison reported the Commissioner of Higher Education Search Committee had met on Thursday, January 30. Three finalists were selected for interview from a slate of eight semi-finalists. They were: Dr. Warren Fox of Reno, Nevada; Dr. Carrol Krause, Helena; and Dr. Roger Schinness of Lowell, Massachusetts.

Budget Committee

Item 50-204-R1285, Request Approval to Provide Health Services to Non-Student Spouses; Montana State University, was reviewed by Dr. Krause. Concerns raised in discussion of the item in the Council of Presidents have been resolved. He recommended approval. On motion of Regent Hurwitz, the item was approved.

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Chairman Morrison reported Item 50-002-R0186, Administrative Salaries; Montana University System; 1986-1987 Scale, would be moved from the action agenda to the submission agenda. No action would be taken on the item at this time.

Bill Lannan, Director of Special Projects, distributed a handout proposing a feasibility study to determine if a loan servicing center should be developed in Montana to service the Guaranteed Student Loan Program and the Montana Higher Education Student Assistance Program (on file). Questions to be answered by the study contained on the handout were reviewed by Mr. Lannan. The time frame for the study is proposed to be approximately eight months at an estimated cost of \$29,000. After discussion, Regent McCarthy moved the Commissioner of Higher Education be authorized to study the feasibility of developing a processing/servicing center for student loans. The funding for the study will be provided equally from the Guaranteed Student Loan Program and the MHESAC reserves. Authorization is contingent upon the approval of the Board of Directors of the MHESAC corporation. The motion carried.

Acting Commissioner Krause referenced the January 15, 1986 memorandum to Regents, Presidents, and Chief Fiscal Officers regarding compliance with Section 9 of House Bill 500 and Executive Order 2-86 which reduced the System's general fund appropriation by 2%. He stated it is important to realize this is not a one-time 2% cut, but impacts the base on which budgets for future biennia are built. In looking at revenue projections for 1987 it is fairly obvious there will be additional reductions. The commonly quoted figure for those reductions is 4%. The

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affect on state revenue of declining oil prices was mentioned. Contingency planning for a cut higher than the rumored 4% should be seriously considered.

At Acting Commissioner Krause's request, the president of each unit reported on how the institution anticipated responding to the general fund callback.

President Tietz stated Vice President Knapp has been developing data for contingency planning at MSU based on the continuing enrollment issue and the reduction in general fund at the state level. Dr. Knapp, working with others, attempted to develop appropriate data to show a trend over roughly a five-year period, and look for indices useful in decision-making over the next five to seven years. Fall enrollments at MSU were 300 fewer than predicted in 1984 when the current budgets were developed. This resulted in a short-fall at MSU of approximately \$650,000. Appropriate reductions were being made when information was received concerning the 2% cut required by Executive Order 2-86. Rounded out, this amounts to \$577,000 for MSU, approximately \$122,000 for the Ag Experiment Station, and \$45,800 for Cooperative Extension Service. The next step needs to be determined. \$300,000 will be taken out of physical plant and deferred maintenance. Action on the remaining amount will be deferred until certain determinations can be made. A hiring freeze will be instituted except on those positions already interviewed or scheduled for interview.

President Tietz stated in summary MSU has reduced expenditure levels for the reasons stated above in the amount of \$1,214,000. Added to that are the reductions at the Ag Experiment Station of \$204,000 and Coop Extension's \$193,000. The total loss at Montana State

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University approximates \$1,600,000. It is not known at this time what that will mean in terms of spring classes. There is no doubt there will be major changes in instructional programs, and there will be some reduction of offerings.

Chairman Morrison questioned if the additional \$200,000-plus needed to meet the 2% rollback will come from personnel. President Tietz responded he was hesitant to make cuts until he obtains the February SBAS reports. It is hoped the amount will be available from unfilled positions. Chairman Morrison asked for a "ball-park" figure. President Tietz stated for this biennium, on positions authorized by actions of the 1985 legislature, the budgeted positions from 1985 would be reduced by about 122 positions across all levels of employment. The greatest concern at MSU is maintaining the creative and highly professional faculty which MSU has spent a great deal of time recruiting, and which is crucial to the institution and to the economic development of Montana. In response to a question from Chairman Morrison, President Tietz stated as of now he anticipates no accreditation problems.

Vice President Donald Habbe reported on the effect of the 2% cut at the University of Montana. He stated he would echo what President Tietz had said concerning the effect of this reduction coming in the context of declining enrollments. It will be difficult to cut an additional 2% from the current state of decline. A combination of measures have been employed at UM. Dr. Habbe stated the University of Montana appreciates the circumstances that compelled the rescission. They are part of the fabric of Montana. One can't escape the economic and

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social circumstances we find ourselves in. On the other hand, there is certainly apprehension at the University about the impact of the cuts. They will have consequences which the University has tried to minimize. The Board would be deceived if it did not believe there would be consequences. President Bucklew has attempted to gather as much money as is available centrally, and has assigned other cuts out through the three vice presidents. The dollar amount of the 2% reduction to the University of Montana is \$455,000. Freeze of the equipment pool will produce \$100,000. One percent of the operating budget will be pulled back. \$60,000 will be taken back from the research offices. This delays commitments and opportunities, and will stultify important areas. \$35,000 will be taken from the library. In acquisitions, this means approximately 1,000 fewer books. Approximately \$50-60,000 will be realized by leaving part-time and temporary faculty positions open for spring quarter, and also some teaching assistant positions. This will mean some reductions in offerings. Classified positions have been frozen. In student affairs, the major cuts are in athletics. One and one-half coaching positions will be eliminated, and travel will be reduced for spring sports. One and one-half positions will be left open in the alumni area, and there will be a similar reduction in fiscal affairs. There will be a cut in services in EEO. Two positions will be left open in the computer center. There will be a cutback on building maintenance, and a one percent callback in the operating budget in the controller's office. Dr. Habbe stated these actions are very difficult. There is lots of evidence to suggest the University System is not well funded in comparison to its peers, and it is now required to make cuts off an already

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inadequate base. President Bucklew has stated that as a result of these actions, we are a less effective University.

Dr. Habbe spoke also to the program modification approved in the last legislative session for the cooperative program with Eastern Montana College. Given the new fiscal restraints, President Bucklew will be writing a letter to the Commissioner asking to meet with Presidents Carpenter and Tietz to discuss the issue. No decision is suggested, but there is concern at the University, particularly in view of the fact that support from the state could be deemed questionable for a new program in these times. That is another issue with which the Board will probably have to grapple.

Chairman Morrison asked what effects the declining enrollments have on budgeting. Dr. Habbe responded the University is experiencing modest enrollment declines of about 2% a year. He stated he believed that trend will continue. While the University was conservative in building its budget, the amounts will ultimately have to come out of personnel. Approximately 15 FTE had already been cut. Reducing UM's budget by another 2% will probably result in the reduction of another 8-10 faculty positions.

Regent Paoli asked what areas in the physical plant would be affected by the reductions. Glen Williams, UM, responded they would be in the custodial area.

Acting President Dayton reported the 2% rollback will cost Montana Tech \$114,285 on top of substantial reductions last year because of declining enroll-

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ments. Tech has dropped from 109 faculty positions to 93-1/2 this year. Substantial reductions were made in operations and support last year. The Bureau of Mines underwent major reductions when it was discovered its budget was overcommitted. Hiring of the new director for the Bureau was delayed, and there were other staff reductions. With the additional 2% cut, the Bureau's only option is to cut operations. The Bureau may also face reductions because of the Gramm Rudman legislation.

Approximately \$20,000 of the 2% reduction to Montana Tech will have to be realized by holding positions open, and \$80,000 from capital acquisitions. For an institution which is heavily into lab instruction, those reductions are damaging. There will be problems maintaining what is there. Institutions on the semester system have an additional problem with lack of flexibility because staff commitments have been made. Secretarial support at Tech was cut to one secretary per building during the three summer months last year. The faculty have been told it will be necessary to take 10-12 faculty positions out for next year to respond to further declines in enrollment. A program by program review will be made to determine staffing necessary to maintain programs. It will be difficult to serve students and maintain quality. It may be difficult to protect accreditation

President Carpenter, Eastern Montana College, stated that \$181,528 will be required to be returned from EMC's budget. A hiring freeze has been instituted for the remainder of the fiscal year. Because EMC has a number of one-position offices, some vacancies will have to be filled, but will be justified on an individual basis. President Carpenter distributed a schedule

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listing the areas and amounts generated to meet the roll-back (on file). Open faculty positions will generate \$67,246; salary accumulation, \$19,346; asbestos abatement, \$25,000; hazardous waste disposal \$11,400; two administrative support positions, \$32,195, and instructional capital, \$26,341 . Budgeting for the next year is in process, and all areas are being scrutinized to determine what can be done in anticipation of further rescissions. No figures are available on that now.

President Merwin, Northern Montana College, reported on the approximately \$109,000 that will be reduced from NMC's budget. He explained NMC was preparing for an approximate \$135,000 reduction because of enrollment declines, and is now looking at nearly a quarter of a million dollar reduction. The planning that was begun last July included freezing two positions in the nursing program, and delaying other hirings. President Merwin distributed copies of NMC's plan to meet the reduction (on file). An estimated \$60,000 will be realized by leaving two faculty positions vacant for the remainder of the year. In operations, some upgrades that were planned will not be made. Most of the amount will come from the capital budget which was originally approximately \$250,000. \$60,000 will come from the library acquisitions budget. The remaining \$75,000 will be taken from other planned capital acquisitions. Planned classroom improvements will not be made.

President Douglas Treadway, Western Montana College, reported the reduction of \$56,044 from WMC's budget will be realized through a hiring freeze and reduced services and supplies. Western's recent receipt of a significant federal grant was fortuitous, and enrollment are up somewhat. President Treadway noted Western is

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in the same hiring freeze holding pattern the other units are experiencing

Chairman Morrison requested a consolidated report be prepared on the effects of the 2% cut. Each campus should submit a list showing where reductions will occur and amounts generated.

President Tietz cautioned against the damage to the System caused by reductions in the academic area which erode the System's image, resulting in the probable loss of out-of-state students. This has a compounding effect on the state's economy which is different than the effect of the rollback on the majority of other state agencies. Acting President Dayton urged also that in preparing the Board's requested report, campuses should identify areas reduced that can only result in a one time pick up of money. Otherwise an illusion of flexibility may be created which does not exist.

President Donald Kettner, Dawson Community College, reported that institution was not seriously affected because of the balance of state funding. Dawson also experienced a five percent increase in enrollment. The \$16,000 reduction at Dawson is not serious at this time, but if the trend continues, the burden will fall on the local taxpayers.

President Judson Flower, Miles Community College, noted MCC's budget was reduced in the last legislative session by approximately 12%. In order to avoid reductions of student offerings, faculty positions were already reduced, purchase of supplies reduced, and there were no salary increases institution-wide. There is no cushion for the additional 2%. Miles is also experiencing reductions in local tax support for the same reasons which

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necessitated the Governor's callback. There is serious concern if more reductions are required in future years.

Dr. Howard Fryett, Flathead Valley Community College, distributed a handout on outlining how FVCC would meet the state mandated reduction of \$32,201.00 (on file).

Regent Scully stated his pleasure at the participation of the Community College presidents in the meeting. He urged continued discussion between the unit presidents and the community college presidents to enhance coordination of efforts.

Regent Paoli asked what planning process is in place in anticipation of another callback of general fund revenue. Acting Commissioner Krause replied all presidents are aware of the problem, and have begun planning activities looking at all contingencies to meet another potential cut.

Residency Appeal

Chairman Morrison determined it was the consensus of the Board to hear the residency appeal of Kevin Oliver. He asked if Mr. Oliver was present, and received no response.

Chief Council LeRoy Schramm informed the Board Mr. Oliver had been notified by certified mail that the matter would be on the agenda of this meeting, and the return receipt was received. It was his understanding Mr. Oliver intended to be present. He then presented the facts which led to the Commissioner's determination to deny the appeal for in-state status for fee purposes as set out in the memorandum to the Board dated December 30, 1985 (on file). In summary, Mr. Oliver was denied in-state status because of his failure to register his motor vehicle in Montana until June of 1985. Dr. Schramm noted that while you can sympathize with Mr. Oliver's lack

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of funds to register his automobile, if a person claims he is a resident, he must do the mandatory things residents are required to do by policy and by law. If Mr. Oliver continues to comply with Regents' policy, he will be eligible for in-state status for fall quarter 1986.

After discussion, Regent Hurwitz moved the Commissioner's decision be upheld, and Mr. Oliver's appeal for in-state status for fee purposes be denied. The motion carried, with Regent Paoli voting no.

By-Laws and Policy Committee

Submission Agenda

The following items were received for consideration at a future meeting:

- Item 50-001-R0186, Eligibility for WICHE, WAMI, and Minnesota Dental Programs; Montana University System
- Item 16-003-R0577, Appointment; Adjunct Faculty of Faculty; Montana University System
(REVISED)
- Item 26-021-R0380, Tenure; Faculty; Montana University System
(REVISED)

Acting Commissioner Krause briefly reviewed the reasons for presenting the above items. He explained the revision to the WICHE/WAMI policy is considered necessary because of the increasing number of out-of-state students seeking residency status to participate in a program which was instituted and is intended to serve Montana residents. The adjunct faculty and tenure policy revisions have been discussed extensively in the Council of Presidents. The presidents either have or will review the policy changes with their faculty before it is placed on the action agenda.

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Action Agenda

Item 50-801-R0186, Public Radio and Television; Northern Montana College, was reviewed and discussed at length. The item as presented would authorize Northern Montana College to plan and implement public radio and television facilities, including the submission of necessary grant and license applications. Appended to the item was a memorandum from President Merwin dated January 10, 1986 which set out in detail the evidence of service to NMC and the community of Havre, the general programming goals, evidence of financial resources, evaluation of project impact, and administrative structure. President Merwin reviewed the details of the proposed grant applications, and stated very few if any general fund dollars would be necessary for the project. Havre is one of the largest communities in the nation still unserved by Public Broadcasting. President Merwin stated this project has strong support from the community.

Regents questioned President Merwin extensively about the proposal, including the exact amount of general fund dollars needed for the project, the physical location of the facility, whether such a project should be considered a high priority in the present economic times, and what type of student participation would be involved in production or operation of the enhanced radio/tv facility. Lengthy discussion was also held on what would occur if authorization was approved, and the full grant was not received. At issue was whether the Board would have committed to support the program in the absence of receiving the grant. Dr. Merwin and Acting Commissioner Krause assured the Board if the federal funds were not received, the project would be abandoned. Regent Scully questioned

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Northern's ability to service and maintain such a facility, and stated he did not believe sufficient information had been supplied to allow the Board to make a decision on whether it wished this type of program for students at Northern.

Rewording the item to provide only authorization to apply for the grants was discussed. There was strong Regent concern on whether, if the grants were received, there would be sufficient community support to continue operation of the facility. It was not the desire of the Board to make an inadvertent commitment of future state resources by authorizing application for the grants.

At the Board's request, support for public radio and tv service in other Montana communities was discussed by Presidents Tietz and Carpenter. There appears to be some question as to the stability of the funding for those facilities, and a great deal of time and energy is expended in solicitation of public funds to continue to provide the services.

In response to further questions, President Merwin noted some local programming will be produced that is of interest to the community. Regent Scully stated what is really being discussed is another student program, as well as public service. He stated he could not support another student tv facility in the system at this time.

Regent Lind stated he believed the proposal had merit, including the participation of students and service to a remote area. If the fiscal projections provided by President Merwin are accurate, he would have no objection to approval. He asked if his understanding was correct that if the grants are approved, President Merwin would bring information back to the Board before any

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services were implemented. He was informed this was accurate.

Dr. Dayton spoke to concerns expressed about spawning an instructional program by approval of this item. He noted the Board has authority over that. There are student newspapers on each campus, but not necessarily a journalism school. There are also radio stations on each campus now. This type of proposal adds a worthwhile dimension to student experience.

Regent Lind suggested the item be amended by deleting the words "and implement" in the second line. Approval would then be granted only to plan public radio and tv facilities and submission of necessary grant and license applications. Approval of the item as amended would be granted with the understanding that Northern Montana College would bring an implementation plan to the Board if the grants are received. Regent McCarthy moved that Item 50-801-R0186 be so amended, and approved. The motion carried, with Regent Scully voting no.

Dr. Krause reviewed Item 23-001-R0379, Indirect Cost Recovery Rate; Montana University System. The item has been reviewed extensively by the Council of Presidents, and discussed with the Board. The revisions provide some needed flexibility to the units in negotiating indirect costs to meet required cost sharing in grants and contracts, and remain in compliance with Regents' policy. On motion of Regent McCarthy, the item was approved.

Capital Construction Committee

Bill Lannan, Director of Special Projects, presented Item 50-101-R0186, Expansion of Parking Lots "F" and "G"; University of Montana. The item seeks authorization to plan and implement parking lot projects which

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would create parking lots in circumscribed areas as indicated on the map attached to the item. The projects would be completed in phases, and would be funded from bond proceeds, earned interest, and parking fees.

Vice President Habbe, UM, reported the Campus Development Committee consisting of faculty, staff and students reviewed this and other long range planning matters on campus and issued a report. It was recommended the University continue to develop perimeter parking lots around the campus. Dr. Habbe briefly reviewed problems with the community of Missoula related to perimeter parking in the University area. Home owners on the periphery of the campus have complained about student parking on city streets. The city is considering implementing residential parking permit requirements in a two-block area around the campus.

Regent Paoli requested a report on the parking lot shuttle service approved by the Board last fall. Glenn Williams, Fiscal Affairs Vice President, reported on the attempts to implement the service. It was advocated strongly by the administration, but was not utilized by the students and has been abandoned. If the parking situation worsens, there may be an attempt to reimplement the shuttle.

Bill Mercer, President, Associated Students of the University of Montana, spoke in opposition to approval of Item 50-101-R0186. He stated the shuttle service did not live up to student expectations. When it was implemented the parking fees at the University increased from \$18 to \$24 per year. Central Board would like to know if there will be a decrease since the shuttle has been discontinued. Mr. Mercer stated he and Regent

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Paoli had toured the parking lots at the University paid for by student building fees, and it appeared there was an abundance of spaces. Parking lot spaces price out at approximately \$2,750 per space, and rise to \$4,000 if that is added to what has already been paid. Central Board questions if there is a present need for additional spaces with demographics indicating a continued loss of students. He stated the parking situation is better now than it was before. When the overall costs and continued increase in fees are considered, Mr. Mercer stated students would not support the item, and would prefer the parking fee be returned to \$18.

Mr. Williams responded to Regent Lind's questions regarding projected parking fee increases. He stated fee increases are projected for the lots under discussion, but not for any parking lots related to the stadium project. There are approximately 2,000 parking slots on campus now. It was explained they are normally about 95% full. The parking lots under discussion are gravel surfaced now, and fail to meet the clean air requirements. Paving, landscaping, acquisition of land, and moving houses, is included in the cost, and it is expensive. Lighting is required for security purposes.

Dr. Habbe spoke to the parking policy at the University. There is no reserved parking. While parking lots are not high on the University's list of priorities, there is a need to be a good neighbor. Some residents of Missoula believe the University is derelict in its responsibility to provide adequate parking and is passing the problem on to the city. This has brought about the move to implement permit parking around the campus. President Bucklew feels the item before the Board is a prudent

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attempt to address several issues. To not do this when the funds are available would seem to be a signal to Missoula residents that the city streets should solve the problem. Regent Lind asked Dr. Habbe to respond to Mr. Mercer's statement about the effect of declining enrollments on the need for additional parking. Dr. Habbe stated there has been a decline in FTE. Headcount and part-time enrollments indicate a need for the spaces. At 5 p.m. you can find parking on-campus almost anywhere. That is not the case at 8 a.m.

Chairman Morrison requested a motion on the item. Regent Paoli moved that Item 50-101-R0186 be rejected.

In discussion of the motion, Regent Hurwitz questioned if in the present period of tight funds this would still be the priority item it was when it was originally planned. Dr. Habbe stated he believed that was clearly a matter of judgment, and in the view of the administration, the lots are needed. Dr. Habbe stated if the item is rejected, the University would appreciate knowing the intent of the Board with respect to the other issues discussed, particularly relations with the community.

Regent Lind suggested a substitute motion. He moved action on the item be deferred until the City Council of Missoula takes action with respect to permit parking around the University, and for a period thereafter to determine the impact on parking on the campus. Regent Paoli withdrew his motion to reject. The substitute motion carried, and Item 50-101-R0186 was deferred.

On motion of Regent Scully, Item 50-204-R0186, Authorization for Montana State University to name

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the Ballroom in the Montana State University Strand Union Building the Joseph J. May Ballroom was approved.

Item 50-701-R0186, Purchase of Real Property; Eastern Montana College, was reviewed by President Carpenter. The property is located in the block east of the Physical Education Building, and was approved for acquisition by the Board in EMC's 1972 land acquisition plan. The purchase price is \$63,000. Funds for the purchase will be provided from rental of this and other properties of the college, and from the Series 1985 Revenue Bond Indenture. Regent Hurwitz moved the item be approved. The motion carried with Regent Scully voting no.

Regent Scully requested President Carpenter send him a copy of the 1972 campus land acquisition plan.

President Tietz provided an informational report on negotiations between the state department of Fish, Wildlife, and Parks and Montana State University to construct FWP's new Region 3 Headquarters building on land belonging to MSU (on file). President Tietz will keep the Board informed as negotiations continue. No action was required.

Bill Lannan distributed and reviewed a revised schedule of deadline dates for submission of the System's Long Range Building Program to the Governor. He also reviewed the suggested time frame for accomplishment of the Capital Construction Committee's campus visits to review projects for submission to the 1987 legislature. He explained that in addition to System representatives, there is participation in that review by representatives of the Department of Administration, the Governor's Budget Office, and the Legislative Fiscal Analyst. Regents were urged to participate. Regent Scully spoke briefly to the

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importance of the Regents' making a commitment to the campus visits. If there was unwillingness on the part of the Board to make those visits, he felt they should be discontinued.

Curriculum Committee

Submission Agenda

The following two items were received for consideration at a future meeting. There were no items before the committee for action:

- Item 50-602-R0186, Higher Education Center; Western Montana College
- Item 50-501-R0186, Approval of the M.S. in Environmental Engineering; Montana College of Mineral Science and Technology (ADDITION TO AGENDA)

Election of Officers

Nominations were opened for Chairman of the Board. Regent Scully moved Jeff Morrison be elected Chairman. Nominations were closed. The motion carried unanimously.

Nominations were opened for Vice Chairman. Regent McCarthy moved Dennis Lind be elected Vice Chairman. Nominations were closed. The motion carried unanimously.

Commissioner's Report

Acting Commissioner Krause distributed copies of the proposed membership of the Presidential Search Committee at the University of Montana.

Dr. Krause stated the next matter of business would be the appointment of an Acting President

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at the University of Montana to serve until a new president is appointed. He recommended Vice President Donald Habbe be so appointed effective March 15, 1986, at a salary of \$68,000. Regent Lind so moved. The motion carried unanimously.

Dr. Krause reported a poll had been taken of the Regents, and it was the consensus that the March meeting of the Board would be moved from March 3-4, 1986, to March 20-21, 1986. The change was required because of the Board of Public Education had a conflict on the dates originally set. The two Boards are scheduled to meet as the State Board of Education at the March meeting, and to do this, must meet concurrently.

Acting Commissioner Krause reported the three finalists for the presidency at Montana Tech have been selected. Interviews with those finalists will be scheduled the week of February 10, 1986. Dr. Krause will inform the Board when the schedules are set.

Council of Presidents

President Bruce Carpenter expressed appreciation on behalf of all the presidents to President Treadway and the staff at Western Montana College for the hospitality extended to all participants in the meeting.

President Carpenter called the attention of the Board to a disturbing trend revealed in recent student placement data recently compiled by Eastern Montana College. This year, only approximately 67 percent of EMC graduates have found employment and are remaining in Montana, as opposed to 81-82 percent last year. This trend adversely impacts economic development in Montana, when well-educated young people are unable to find employment in the state, and must move elsewhere.

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President Carpenter also reported for informational purposes that the signal of KEC has been moderately expanded.

The Board of Public Education, Office of Public Instruction, and Faculty Association had no report.

At Chairman Morrison's request, Deputy Commissioner Jack Noble reported on the Office of Public Instruction's proposal to utilize a portion of the Coal Tax Educational Trust Fund to provide facilities for public schools, and establish an insurance fund. Mr. Noble explained the proposal would use the entire fund, a portion of which is dedicated for higher education. Objections have been made to the proposal because it would change the original intent of the Educational Trust Fund. OPI does not believe diversion of higher education's portion of the fund would be significant, and has asked for higher ed's support. Mr. Noble stated he was equally concerned with OPI's proposal to utilize the Educational Trust Fund in the establishment of an insurance fund. Insurance companies with billions of dollars in assets are backing off doing business in Montana. He did not believe the trust fund could provide school districts in Montana with equal or greater security. According to the information received by Mr. Noble, the Superintendent of Public Instruction will request this proposal be addressed in the special session of the legislature. If that occurs, higher education's concerns with the proposal will have to be made known to both the Governor and the Legislature. Diversion of the education portion of the trust fund is not in higher education's best interest.

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Item 50-200-R0186,	<u>Staff; Montana State University</u> <u>(WITH ADDENDUM)</u>
Item 50-201-R0186,	<u>Post-Retirement Contract; Herbert</u> <u>R. Agocs; Montana State University</u>
Item 50-202-R0186,	<u>Post-Retirement Contract;</u> <u>Theodore R. Murphy; Montana State</u> <u>University</u>
Item 50-203-R0186,	<u>Post-Retirement Contract; Gerald</u> <u>D. Sullivan; Montana State Uni-</u> <u>versity</u>
Item 50-300-R0186,	<u>Staff; Agricultural Experiment</u> <u>Station</u>
Item 50-301-R0186,	<u>Retirement of Arthur L. Dubbs,</u> <u>Jr.; Agricultural Experiment</u> <u>Station</u>
Item 50-302-R0186,	<u>Retirement of Donald R. Graham;</u> <u>Agricultural Experiment Station</u>
Item 50-303-R0186,	<u>Retirement of Murray G. Klages;</u> <u>Agricultural Experiment Station</u>
Item 50-400-R0186,	<u>Staff, Cooperative Extension</u> <u>Service</u>
Item 50-500-R0186,	<u>Staff; Montana College of Mineral</u> <u>Science and Technology WITH</u> <u>ADDENDUM)</u>
Item 50-500A-R0186,	<u>Staff; Montana Bureau of Mines</u> <u>and Geology</u>
Item 50-600-R0186,	<u>Staff; Western Montana College</u>
Item 50-700-R0186,	<u>Staff; Eastern Montana College</u>

The meeting adjourned at 12:10 p.m. The Regents were hosted at lunch by students of Western Montana College. Following the luncheon, staff provided the Regents a tour of campus facilities. At 2:00 p.m., an open forum was held for Regents, faculty, students, staff, and interested persons.

The next regularly scheduled meeting of the Board of Regents will be held on March 20-21, 1986, in Helena, Montana.

APPROVED:

Chairman, Board of Regents of Higher
Education, Montana University System

Cassol H. Hensel
Secretary