

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

DATE: July 24, 25, 26, 1988

LOCATION: Multi-Purpose Room
Great Falls Vocational-Technical Center
2100 16th Avenue South
Great Falls, Montana

REGENTS PRESENT: Lind, Hurwitz, Mathers, McCarthy, Kaze,
Redlin, Riley
Commissioner of Higher Education Carrol
Krause

REGENTS ABSENT: None

PRESIDENTS PRESENT: Koch, Carpenter, Easton, Merwin, Norman,
Tietz

PRESIDENTS ABSENT: Tuesday, July 26 President Norman

Minutes of Sunday, July 24, 1988

Budget Committee

The Board of Regents' Budget Committee met from 3:10 p.m. to 3:40 p.m. to establish guidelines for receiving presentations on the campuses program modification requests for presentation to the 1989 Legislature.

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Chairman Lind called the meeting of the Board of Regents to order at 3:50 p.m. in the Multi-Purpose Room of the Great Falls Vocational-Technical Center. Roll call was taken, and it was determined a quorum was present.

At Chairman Lind's request, Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, explained the guidelines and framework for presentation of the program modification requests. Mr. Noble noted for the record that each Regent had been provided a complete set of the program modification requests, and he had also provided a summary sheet of the requests of the six units, the vo-tech centers, and the System. The summary sheet is attached to and made a part of these minutes.

Mr. Noble stated because of the tight time frame allowed for the presentations, each campus would be asked to make a brief summary statement of its program modification requests, then respond to Regent and staff questions. Decisions on the program modifications to be submitted to the 1989 Legislative Session will not be made during this meeting. The Budget Committee will meet at a later date to review and prioritize the program modifications, and decisions will come from that committee at a later date.

University of Montana & Forestry Experiment Station
Program Modification Requests

President Koch, Provost Donald Habbe, and Vice President Glen Williams and other appropriate campus personnel briefly reviewed each program modification request from the University of Montana and responded to Regents questions. A revised request was

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submitted on the Billings MBA modification, and minor corrections made to the FTE numbers on the Law School and Telecommunications submissions. Program modification requests from UM are listed in priority order on the summary, and total \$5,292,620 for the biennium.

Provost Habbe spoke to the three program modification requests submitted by the University of Montana related to the library funding issue. He stated it is well known how difficult and pervasive that problem is throughout the System, and much will be heard about libraries during this meeting. The real question before the Board would seem to be how and when a response will be made to the critical library issues.

Jack Noble commented there is some overlap with the System program modification on library funding in the two UM program mods dealing with library monographs and serials, and library resources. He also suggested the administrative workload modification be put on hold until it is determined how or if the funding formula update will address those issues.

President Koch stated objection to the Forest and Conservation Experiment Station being included as part of the University of Montana's request. It is a separate agency with a separate budget established with some difficulty. The program modification was not submitted as number 12 on the University of Montana's list -- it was a separate request and President Koch asked that it be so treated. After brief discussion, it was agreed the Montana Forest and Conservation Experiment Station program modification would be considered in the Board's deliberations as "number one of one request."

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Montana State University Program Modification Requests

President Tietz began his presentation with a strong endorsement of those System program modification requests which will be heard later: libraries, faculty salaries, and indirect cost recovery. He offered the large amount of data available at Montana State University in support of the library program modification if the Board wishes to receive it. He stated some 22% - 23% percent of the periodicals at MSU's library have been terminated. To renew the current holdings -- maintain the status quo -- would cost \$250,000 more than is available at the present time. The situation could not be more critical in the System's libraries.

President Tietz distributed copies of the Instructional Equipment program modification request, (Priority #1) totaling \$1,104,000 for the biennium, noting that while it was listed on the summary, the supporting documentation was not available to be mailed with MSU's other program mods. President Tietz, Vice President Malone, Vice President James Isch, and other appropriate campus personnel reviewed the program modifications requested by Montana State University and the Agricultural Experiment Station/Cooperative Extension Service, and responded to Regent and staff questions. The requests are listed in priority order on the summary sheet attached to these minutes, and total \$5,774,716 and \$2,609,934 respectively.

The meeting recessed at 6:05 p.m.

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Minutes of Monday, July 25, 1988

Evaluation of President Lindsay Norman, Montana College
of Mineral Science and Technology

President Norman briefly reviewed the past year at Montana Tech, stating it could be summarized by saying "and it was the best of times, and it was the worst of times." He cited the dismal enrollment figures discussed with the Board at his last evaluation, noting Tech is now back in a dramatic growth mode. Tech experienced a 6% increase in full time freshmen last year, and today, hard numbers indicate there will be a minimum increase of 10% including a possible 30% increase in out-of-state students. While applauding the 1987 Legislature's action in establishing a basic allocation for Tech based on an enrollment of 1,550 FTE, President Norman stated the 1989 Legislature needs to provide funding beyond that so Tech can replace outdated equipment and make capital improvements.

Positive factors contributing to the turn around in campus morale cited by President Norman included "U S News and World Report's" listing of Montana Tech as the best small science and technology school in America, an aggressive recruiting campaign, increased efforts to improve the quality of student life, and the continuing cooperation and hard work of the dedicated faculty and staff. Loss of the business program has to be listed on the negative side, but the rest of the negatives are almost totally attributable to budget woes.

President Norman and Vice President Toppen spoke to the campus academic and administrative reorganization put in effect on July 1, 1988. The intent was to reallocate available resources, increase

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operating efficiency, and most important, instill accountability in programs and offices on campus. The administrative reorganization reduced the number of second level administrators to four. Vice President David Toppen is responsible for academic affairs and research; Vice President John Hintz has responsibility for fiscal affairs and student services. Two other directors are in charge of alumni and institution affairs and the Bureau of Mines.

The academic restructuring combined 13 departments into six programs, resulting in an increase in shared services and elimination of course duplication. The reorganization more appropriately reflects the size and complexity that Montana Tech represents today, establishes clear lines of authority, and is manageable. While administrative titles were eliminated, no faculty positions were eliminated. The streamlining of the previous thirteen departments at Tech was approached with the goal of addressing accreditation issues, preserving the best teachers in each program, and assuring all constituencies that important programs will retain their identity to whatever extent is appropriate. In addition, there will be a review of the reorganization at the end of the academic year, and every provision has been made to assure that faculty will participate in that review.

President Norman summarized what he believed to be key issues facing Montana Tech in the coming year, including the funding study which holds the hope that for the first time Montana Tech may realize something close to true peer funding, and the continued recognition of Montana Tech as a premier minerals

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engineering institution by the legislature and the people of the state of Montana. To remain in this positive position and retain its accreditation status, Tech will need increased funding for faculty and instructional equipment. The millage issue is critical. President Norman also touched on Tech's continuing efforts to recover from the loss of the business administration program, and spoke to the importance of the tenor of discussions with legislators during the coming session. The focus should be on interunit cooperation with discussions on the stability and quality of the entire System.

President Norman asked the Board to look favorably on a request he had made previously that preferential treatment be given to alumni and dependents of System graduates. It is a concept being utilized at many institutions across the nation, and could be an invaluable tool in recruitment.

In conclusion, President Norman stated Montana Tech has turned the corner, and that it has done so in such difficult times is a tribute to the faculty, students, and staff. Its sights are set, the target well defined. He asked the Board work with the campus in role and scope discussions in any future refining of Tech's mission. President Norman underlined his strong belief in the importance of the continuation of the System concept of higher education in Montana. Montana Tech will continue to be a strong team player in promoting that concept.

On behalf of the Board, Chairman Lind complimented President Norman, Dr. Toppen, and John Hintz for their response to the difficulties experienced

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by Tech in what has been a particularly trying period for the institution, adding the Board is pleased with what is happening at Montana Tech.

Chairman Lind then called for questions from the Board. Dr. Toppen noted in response to questions regarding Tech's continued accreditation that the programs are reviewed on a cyclical basis, with most programs due for review again in 1990. Only one, minerals processing, is in trouble with respect to current budgetary allocation of staff. Tech hopes to rectify that deficiency over the next year. Accreditation rests on two major areas -- adequate, competent staff, and the quality of laboratory instrumentation and facilities available. Other questions including campus reorganization, impact of (Western Undergraduate Exchange) WUE program on tuition revenues, noncompetitive faculty salaries, increasing bureaucratic constraints against doing business with private corporations, and the importance of continued corporate and other outside support for Tech were responded to by President Norman and Dr. Toppen.

Chairman Lind stated at this time the Board would be dealing with matters that relate to the individual and personal privacy of Dr. Norman. In the Chairman's opinion the demands of Dr. Norman's individual privacy clearly exceed the merits of public disclosure, and in the absence of a waiver, the remainder of the meeting on the evaluation of President Norman was closed.

At the conclusion of the presidential evaluation, Regents and interested persons toured the Malmstrom Air Force Base Education Facility.

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Chairman Lind reconvened the meeting at 2:05 p.m. with the same members present.

Eastern Montana College Program Modification Requests

President Carpenter and other appropriate campus personnel reviewed the four program modification requests submitted by Eastern Montana College, and responded to Regent and staff questions. The program mods are set out on the attached summary, and total \$245,901 for the biennium.

Montana College of Mineral Science and Technology and Montana Bureau of Mines and Geology Program Modification Requests

President Norman, Dr. Toppen, and other appropriate campus personnel reviewed the six program modifications submitted by Montana Tech and the Bureau of Mines, and responded to Regent and staff question. It was noted the modification for library support was submitted only to show the magnitude of the problem. Tech recognizes library support will be a System program modification request. The requests are set out on the attached summary, and total \$2,702,364 for the biennium.

Northern Montana College Program Modification Request

The single program modification request submitted by Northern Montana College was withdrawn at the request of the institution.

Great Falls, Billings, Helena, and Butte Vocational-Technical Centers Program Modification Requests

Deputy Commissioner for Vocational-Technical Education Vardemann prefaced the presentation of the vo-tech program mod requests by explaining the centers desired to apprise the Board of those areas where the Centers' communities have reached out to them

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in some substantial way to ask that programs be explored.

The Great Falls, Helena, Billings, and Butte Centers presented their program modification requests as set out on the attached summary with the exception that some of the requests, such as the dental hygienist and nursing assistant modification requests, were deemed to be more appropriately decided by the Regents Curriculum Committee rather than the Budget Committee. It was agreed those should be submitted to Deputy Commissioner Vardemann to be forwarded to the Curriculum Committee.

Vocational-Technical System Program Modification Requests

Deputy Commissioner Noble reviewed the vo-tech system program modification requests, and responded to Regents' questions. The requests included a \$3,725,000 request for funding replacement for local district mill levies, and \$1,674,072 for revision of the Centers' staffing patterns to convert locally governed vo-tech schools to the state system. It was explained that while local units of the University System will make every effort to provide assistance to the Centers in their communities in the conversion, the requested 30 full-time additional positions will be necessary at the Centers particularly in the areas of financial services and admissions to cover services previously provided by local school districts.

The meeting recessed at 3:40 p.m. Regents and interested persons toured the Great Falls Vocational-Technical Center.

At the conclusion of the tour, the Regents reconvened in Executive Session.

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Minutes of Tuesday, July 26, 1988

Chairman Lind called the meeting to order at 8:30 a.m. Vice President Toppen attended this portion of the meeting representing President Norman, Montana Tech.

Roll call was taken and it was determined a quorum was present.

Chairman Lind called for additions or corrections to the minutes of the previous meeting. None were stated, and the minutes of the June 15-16, 1988 meeting were ordered approved.

COLLECTIVE BARGAINING COMMITTEE

Chairman Lind announced ratification of the tentative Collective Bargaining Agreement with the Federation of Teachers, Northern Montana College, an addition to the agenda, would be acted on at this time.

Sue Romney, Director of Labor Relations, recommended approval of the agreement pending union ratification. The union is planning a mail ballot, but has not yet ratified the agreement. She explained the agreement provides for a four-year contract consistent with parameters established by the Board with the other faculty unions. It does provide a two-year pay freeze.

Chairman Lind noted the agreement had been discussed in executive session, and asked if there were other questions from the Board. Hearing none, Regent McCarthy moved ratification of the agreement subject to ratification by the faculty at Northern Montana College. The motion carried.

BUDGET COMMITTEE (Continued)

Chairman Lind noted in the two days previous program modification hearings were completed

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for the units of the System and the vocational-technical centers, but the requests for the System and the Commissioner's office have not been heard.

System Program Modification Requests

Commissioner Krause reviewed the System program modification requests and responded to Regents questions. The requests are set out on the attached summary and total \$22,415,68 for the biennium. Chairman Lind noted for the record that the issue of faculty salaries has been designated by the Board as the number one priority of the System in submission of these requests to the 1989 Legislative Session.

Commissioner Krause also noted a request will be made shortly that each of the presidents submit a report on how the indirect cost monies received by each institution were spent in the last biennium. The appropriation act passed by the last Legislative Session requires such a report be filed, and it will be useful in the System's efforts to obtain an increased percentage of indirect cost reimbursement as requested in the System's program modification request number 4.

Office of the Commissioner of Higher Education Program Modification Request

Commissioner Krause reviewed the request for a Facilities Planner and responded to Regents' questions. The request totals \$104,280 for the biennium.

Chairman Lind stated this concludes the hearings on program modification requests. The Budget Committee will meet by August 5 to review and make recommendations to the full Board on those requests. Those recommendations should be ready for submission to the Board during the week of August 8, 1988.

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Item 60-501-R0788, Authorization to Sell Real Property; Montana College of Mineral Science and Technology, was presented by President Norman. He requested the title of the item be amended to read "Sell Personal Property" which more accurately reflects the intent. The item authorizes the sale of the Charles M. Russell painting "Three Cowboys Roping a Wolf" at fair market value, with the Montana Historical Society having first rights of purchase until April 1989. The money received would be used to establish the "John Gillie Scholarship Fund" for students at Tech in accord with stipulations made with the original gift. The Historical Society has been advised of the proposed sale. On motion of Regent Kaze, the item was approved.

Item 60-302-R0788, Budget Amendment, FY 88; Montana Agriculture Experiment Station, was recommended for approval by Deputy Commissioner Noble. The item authorizes expenditure of an additional \$32,600 of Hatch Act monies in accordance with the explanation and Budget Amendment Certification attached to the item. On motion of Regent Hurwitz, the item was approved.

Mr. Noble noted for the record that at the last meeting of the Board various budget amendments for the vo-tech centers were submitted for approval prior to their being reviewed by the Legislative Finance Committee. This was necessary because the Finance Committee met after the June Regents meeting. Those budget amendments were approved by the Finance Committee on an 8-3 vote. Also, Mr. Noble stated the concern of the vo-tech fees reverting to the general fund has been resolved.

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Commissioner Krause noted that Item 59-905-R0688, Transfer of Funds; Board of Regents; Commissioner of Higher Education, approved at the June 1988 meeting should be rescinded. Regent Mathers, noting the Legislative Finance Committee's objection to the transfer of appropriated money, moved the record reflect that Item 59-905-R0688 be rescinded, and show the funds requested in that item have been received instead through a supplemental request approved by the Governor. The motion carried.

Item 60-003-R0788, Inventory and Validation of Fees, was presented by Mr. Noble. He reviewed the summary sheet included with the item (on file) which provides the annual update on costs of a student attending a unit of the University System. The update shows a percentage increase over the prior year of 1.7%, and an estimated cost of four years of college (1988-92) of \$17,633.82. The assumptions used to provide the update are based on charges to students at Montana State University. Although all fees are not identical at units of the Montana University System, the costs are comparable to the other five campuses.

Mr. Noble distributed and reviewed an additional handout titled "History of Mandatory Fees and Room & Board Charges, 1981-1989, Montana University System." The handout reveals in the period 1980-89 the average percentage increase in tuition and mandatory fees has been 16.9% per year; for room and board, 6.6%. The average cost for the student has increased approximately \$212 per year, or 9.1%. A 9.1% increase per year essentially doubles the cost of education every eight years. The \$17,700 projected for four years of

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college in the Montana University System on the annual update just presented would move to \$35,000 in eight more years; in another eight years, the cost would be \$70,000. Considerable planning will be required to provide a college education to a child who is two years old today.

Mr. Noble reviewed the Inventory and Validation of Fees booklet which comprises Item 60-003-R0788, explaining the presentation in booklet format provides a quick reference for Regents to respond to most budgetary questions they may encounter. The inventory identifies the various student charges and assessments of the six campuses of the System which have been authorized by the Board of Regents. The Inventory also provides the accounting disposition of the revenues obtained from the fees.

After discussion, on motion of Regent McCarthy, Item 60-003-R0788 was approved.

Items 59-008-R0688, Library Fee; Montana University System (REVISED), and 58-001-R0388, Library Use Fee; Montana University System were presented concurrently by Commissioner Krause. The Library Fee (59-008-R0688) has been revised from its original presentation to the Board by making it an elective fee, with the president of each unit having the option to exercise it or not. The fee could only be expended under the procedures set out, and would be effective fall term 1988 and discontinued no later than June 30, 1990 unless extended by the Board. The fees are proposed because of the critical situation that exists in all of the System's libraries. The money is needed now to sustain the libraries between now and the time

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the legislature convenes. Commissioner Krause described the serious erosion of the System's libraries. Lack of resources combined with the exorbitant inflation factor has necessitated widespread cancellation of journals and periodicals. Once those are lost, because of the high cost to purchase back issues, it is almost impossible to restore them without leaving serious gaps in the collection. The \$1 per quarter credit hour fee proposed (\$1.50 per semester credit hour) will only generate sufficient monies to provide a stop-gap solution. Increased funding for libraries must be received from the 1989 Legislature.

Speaking to the Library Use Fee, Commissioner Krause noted the item provides the fee may be assessed on general users up to \$25 per fiscal year, and on commercial users up to \$1,000 per fiscal year. The fee would not be assessed to students, faculty and staff, nor would it be imposed on inter-library loans or local or county libraries. If students are to be charged a fee for library use, in fairness outside users checking out materials must also be charged a fee.

Wide ranging discussion was held on the philosophical issues of assessing either a user fee or an additional fee to students. Generally, and reluctantly, most presidents supported the fees if their implementation is voluntary on each campus and can be imposed after individual needs assessments and in-put from students.

To underline the urgency of the library funding, President Tietz stated to renew the current journals for next year would take an additional \$225,000 over and above what it costs now. That is the rate of inflation. He cited the inflation rate of various journals needed to support the programs at MSU. Between

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1986 and 1988, geology journals went up 46.8%; civil engineering journals up 39.2%; mechanical engineering journals up 42.3%; physics journals up 31.8%. The rates of increase are continuing on an annual basis. Montana State University has several thousand fewer periodicals and journals now in its collection than similar institutions in neighboring states, and to further reduce that collection would do irreparable harm to the institution's ability to support its programs.

Members of the library community outside of the University System were unanimous in their opposition to imposing an outside user fee, but supported the student fee. Student government leaders opposed imposition of the credit hour fee.

Regents concerns included allowing the fee to be voluntary and forcing the presidents to assume what they perceived to be a Regental responsibility to impose such fees. Another concern was once again imposing a fee on students to provide funding that it is the responsibility of the legislature to provide. Various amendments were offered by Regent Redlin to the student fee which would make the fee mandatory, sunset the fee on June 30, 1990 certain, and revise section 3 under "Procedures" so the fee monies are restricted to purchase only the library and resource sharing materials elaborated in section 2. In discussion, Presidents Tietz and Carpenter reiterated their absolute opposition to making the fee mandatory. Libraries are the core of a learning institution, and they should be funded from sources other than the backs of the students. If the students volunteer to impose such a fee on themselves, that is a different matter. But that can't be determined during the summer session when most students are absent from the campus.

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Chairman Lind concurred with the philosophical position that library funding is the obligation of the state. In addition, he stated that past actions taken by the Board to provide emergency funds for programs in crisis have resulted in a reduction of the general fund amount provided by the legislature, rather than successfully demonstrating additional need. Chairman Lind stated his third grave concern relates to the action already taken by the Board in agreeing there will be a faculty salary increase in the next biennium. Legislators have not looked favorably on that action, and have indicated the Regents will have to look at a number of ways to fund those increases including a tuition increase. The System's tuitions are as high or higher than those of its peer institutions. Imposing this additional fee will exacerbate that situation. If the students are provided an opportunity to vote on an increase for library funding, and vote favorably, the issue can be reconsidered.

Regent McCarthy stated based on the considerations expressed she moved that both Item 59-008-R0688 and Item 58-001-R0388 not be approved. The presidents would not be prohibited from pursuing the matter with students, or from bringing the matter back to the Board if it receives student endorsement.

In discussion on the motion, Deputy Commissioner Albrecht cautioned the Board that any solution to the library crisis must include long range planning. Libraries probably face a 15% - 20% inflation

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factor in serials over the next ten to twenty years. President Koch asked also that consideration be given to not limiting use of any monies realized to purchases of library materials only. There should be a focus on automation, fax machines, rapid document delivery systems, and other ways of cutting down duplication of purchases at each library.

Commissioner Krause noted the importance of the support of the entire library community in carrying the urgency of the situation to the legislature. Public support will be an essential element if additional revenues are to be obtained from the legislature.

Regent Redlin spoke to the difficulty of her position because of her total opposition to such fees. While she believed Regent McCarthy's suggestion of allowing the presidents to pursue the fee issue with students is probably a good one, she also remembered how frustrated the Board was with the legislature when it seemed not to recognize its responsibility to be the decision makers. It seems somewhat unfair to assume students should be willing to assume responsibilities the general public was not willing to assume. The legislature stated clearly in the last session it could not support faculty salary increases because the public would not support additional taxes. The Regents, as an appointed Board, should recognize it is appointed for a purpose, and that is to be removed from the sorts of political pressures which legislators should and do feel. The Board has to respond directly to the legislature, so there is no opportunity to "run amuck." It should feel a separate arena of responsibility. If

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it is the pleasure of the Board that the library funding issue be put aside, Regent Redlin stated she would acquiesce to that feeling. She was not comfortable that the Board's responsibility to the quality of education in Montana has been fulfilled by that decision. Stopping short of making sure students have adequate materials is not a responsible position. Implementing the library fee with a clear sunset provision should be viewed as a supplement to what the legislature is firmly and fully expected to do. An infusion of money even in the amount raised by this fee would perhaps save some of the serials and periodicals that are in direct danger now. If on June 30, 1989 the legislature has not responded, then Montana will simply have to admit its libraries will be substandard. The fee will not be continued, but the legislature will have had clear notice of the Regents intent.

President Tietz requested clarification. His understanding is that if the motion now before the Board to disapprove both library fees passes, the campuses would still have the opportunity to resolve their individual problems. Should that resolution result in a fee to be assessed against students, campuses would be permitted to bring individual items to the Board requesting implementation of such fees. Chairman Lind responded that interpretation was correct. Disapproval of the pending agenda items does not preclude the presidents from working on individual ways to resolve their library funding problems, including a student vote approving levying a fee on the students to provide library funding. Such a fee would require Board approval.

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Mary Hudspeth, Chairman of the State Library Commission, read a motion passed unanimously by the State Library Commission endorsing implementation of the student library fee. The Commission however remains unanimously opposed to implementation of the user fee. The reasons for the Commission's opposition to the user fee have been discussed with the Board of Regents many times, and Ms. Hudspeth stated she was aware the Board did not wish her to repeat them at this meeting. She did, however, reference editorials in several state newspapers following discussion of this fee at the March 1988 Regents meeting, all of which also opposed a general public or corporate user fee. Ms. Hudspeth commented that although State Librarian Sarah Parker is leaving the state to assume a new position, Acting State Librarian Debbie Schlessinger's will continue working with the System to seek cooperative solutions to library issues both within and without the System.

The question was called on the motion to disapprove Items 59-008-R0688 and 58-001-R0388. The motion carried.

Millage Account Report

Jack Noble reported a change in a previous report given on the six mill levy millage account. The June 1988 collections for that account have fallen considerably below the June collections in previous years. The deficit in the millage account increased by \$32,519 to a total amount of \$587,671. Cash in the amount of \$2.2 million was borrowed to cover the appropriated portions of that account. At this late date in the fiscal year, campus budgets have been expended beyond the point they can be reduced by the shortfall in this particular account.

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Mr. Noble explained in conversations with the Governor's office the agreement was that the System would continue to borrow to meet the shortfall in the millage account. An adjustment will be made when the legislature meets in 1989. There is no question this will put pressure on the general fund or some other source of revenue.

Chairman Lind stated that without objection the Vocational-Technical Committee agenda would be moved to a later time, and the matters before the By-Laws and Policy Committee would be acted on at this time.

BY-LAWS AND POLICY COMMITTEE

Sue Romney reviewed Item 43-004-R0484, Department of Administration; Personnel Policies Adopted; Montana University System (REVISED). The item approves adoption as System policy Department of Administration policies on holiday pay, and overtime and compensatory time for non-exempt employees. Ms. Romney stated the policies are fairly non-controversial, and recommended approval. On motion of Regent Kaze, the item was approved.

Item 60-002-R0788, Professional Development Leave; Montana University System, was reviewed by Commissioner Krause. The policy provides the opportunity for the Board to authorize professional development leave for administrative personnel within the parameters established in the policy. This item provides professional development leave only for certain employees of the University System units; a policy may be developed to provide a similar benefit to the vo-tech center directors. In response to Regents' questions,

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Dr. Krause noted those appropriate costs of travel or schooling incurred during the leave period would be covered depending on availability of funds.

On motion of Regent McCarthy, the item was approved.

Comments by Gubernatorial Candidate Stan Stephens

Mr. Stephens commented on his positive enthusiasm for the people of the state, and his optimism that there are alternatives available to address the many problems facing Montana at this time. He explained his philosophy of redefining the role and scope of state government to assure government will respond to the needs of the people. Mr. Stephens stated he believed economic development is the major issue facing Montana, and outlined his plan to provide new opportunities for the people of Montana. That cannot be done, he stated, without a first rate University System. He pledged his support to continue to work to establish the types of relationships that will try to find ways to provide the best education we can for the people of Montana. He recognized the System's need to attract and retain competent faculties, and this means competitive salaries. Facilities must be maintained. The System must be stabilized. Mr. Stephens pledged to continue to meet with members of the education community to seek ideas for improving the states educational system, and promised his office would employ the best higher education liaison person it can find to assure the dialogue and exchange of information continues. If elected Governor, Mr. Stephens pledged to work with the Board of Regents and the Legislature to assure higher education plays the role it should and can play in producing quality students and research, and in

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providing the foundation of an economic development program that will move this state forward into 1988.

Chairman Lind stated the Board's appreciation to Mr. Stephens for his statements of concern and support for higher education in the state of Montana. Acknowledging there is a great amount of frustration over the economic climate of the state, Chairman Lind assured Mr. Stephens the Board of Regents shares his view that higher education is the cornerstone of economic development, and through partnership with private and public concerns, the state's economic health can be vastly improved.

VOCATIONAL-TECHNICAL COMMITTEE

Interim Report on Technical-Vocational Education Progress and Planning

Deputy Commissioner Vardemann prefaced the vo-tech progress and planning report by explaining the numerous new responsibilities assumed by the Board of Regents which accrued to the Board through passage of HB 39 in the last legislative session. These responsibilities span two broad areas: (1) performance of duties which rest with the Board of Regents as the sole state agency for PL98-524, the Carl D. Perkins Vocational Education Act; and (2) the implementation of a sequence of events designed to elevate the vo-tech centers into the sphere of higher education in Montana.

Sib Clack, Director of Federal Vocational Projects, distributed a list of the membership of the Vocational-Technical Education Technical Communities (on file), and outlined the committees' meeting schedule.

A. W. Korb, Northern Montana College,

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elaborated on the document distributed (on file) containing an activity report of the Montana Center for Research Curriculum and Personnel Development. The Center will act as a repository and gathering entity for the latest appropriate curriculum materials, and will funnel materials to the individual Centers to provide the opportunity to the faculties of those Centers to have access to the latest curriculum development materials. The Curriculum Center is viewed as a resource for the faculties as they stand before their classes each day.

The needs assessment activity of the Research Curriculum Center will review statewide data to determine programmatic needs and appropriate locations; the Board, with the information provided, will be better equipped to make the necessary decisions on expansion or elimination of programs.

Deputy Commissioner Vardemann and vo-tech Center Directors reviewed the "Technical-Vocational Education Progress and Planning: An Update" (on file), containing a list of tasks to be accomplished to accomplish the centers' transition into the higher education system. Individual center directors reported on how those tasks are progressing, and responded to Regents' questions.

Ms. Clack reviewed the memorandum to the Board dated July 11, 1988 (on file) which contained two listings of FY 1989 projects funded through the Carl D. Perkins Vocational Education Act, and explained the review process which led to the successful awarding of the grants. The grants are awarded through an open competition process, and must be reapplied for each year. Receiving a grant does not create an entitlement.

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Ms. Clack discussed at some length the federal requirements related to supplanting, and the annual state/federal fifty/fifty match required.

Deputy Commissioner Vardemann complimented Ms. Clack and other members of the vo-tech staff for developing processes to deal with the complex tasks required for vo-tech governance, transition, and day-to-day operations.

Deputy Commissioner Vardemann concluded the vo-tech report by stating that she has come to believe in her short time in this beautiful and complex state that one of the major responsibilities vested in her office is to "stay at the work." To demonstrate to colleagues, Regents, and the public at large the unknown, but long standing fact, that enormous creativity, capability, and commitment exists within the vocational-technical system. Ms. Vardemann stated she hoped that will be demonstrated to all constituences as the work progresses and the task of moving ahead and assuming a rightful place in higher education is accomplished for vocational-technical education. The work is on track, and all involved in the transition intend to be successful.

Commissioner Krause spoke to the tremendous asset to the state vocational-technical education represents, and the far reaching positive effects that will result in spite of the complexities and fears that are involved during this transition period. Chairman Lind concurred with the Commissioner's evaluation, and on behalf of the Board commended the vo-tech staff and Center Directors for the work they have accomplished, and the cooperative nature in which it has been accomplished.

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CURRICULUM COMMITTEE

Submission Agenda

After brief review Item 60-207-R0788, Authorization to offer distant-site master's degree programs in computer science, Industrial and Management Engineering, and Educational Administration in Great Falls, Montana; Montana State University, was received for consideration at the November 1988 meeting.

Action Agenda

Provost Habbe, UM, briefly reviewed Item 59-101-R0588, Authorization to Create the Division of Biological Sciences within the College of Arts and Sciences; University of Montana. The combination of programs and departments will benefit students through consolidation of curricula; introductory courses can be consolidated; faculty efficiencies will be realized; and outreach from these programs will be better organized. There are no new costs. The item is recommended for approval by Commissioner's staff. On motion of Regent McCarthy, the item was approved.

Each of the next three items on the Curriculum Committee Action Agenda were reviewed and recommended for approval by Deputy Commissioner Albrecht. Memoranda to the Commissioner (on file) explaining what each change entails were included with the agenda material.

President Tietz, MSU, provided additional information the name change of the Department of Entomology to a research laboratory, and the M.S. in Entomology. The master's program in entomology is prompted by a number of features, one being the consolidation of a number of entomology sciences into a

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single laboratory. In addition, MSU has two major facilities on the campus sponsored by outside organizations. One is the laboratory designed specifically to treat problems of grasshopper infestations in the high plains area. The second is the recent arrival on the campus of a major laboratory from Albany, California, which is associated with biological control of insect pests. As part of the new Plant Science Facility there is a major area for confinement of organisms or agents that would be used for biological control of insect pests. The combination of scientists and resources makes this an unusual opportunity to both develop research instructional material, and attract graduate students. The master's program is a compliment to that overall consolidation. There are, in the four organizations about twenty scientists of considerable stature. Though the changes proposed in the two items appear to be a superficial issue, it represents a major thrust for MSU's agricultural research area.

After discussion, the following actions were taken:

On motion of Regent Hurwitz, Item 59-206-R0588, Authorization to change the degree of Master of Science in Industrial Arts Education to the Master of Science in Technology Education; Montana State University was approved.

On motion of Regent McCarthy, Item 59-205-R0588, Authorization to Grant the Degree of Master of Science in Entomology; Montana State University was approved.

On motion of Regent McCarthy, Item 59-202-R0588, Authorization to Change the Name of the Department of Entomology; Montana State University was approved.

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Report on Elementary Education; Northern Montana College

Dr. Albrecht began his report by explaining the Board had requested a report on the cost of the elementary education program at Northern Montana College. To provide that report it is necessary to show staffing and costs of the elementary and secondary programs, and the way the two programs fit together or overlap.

As background, the units of the Montana University System presently produce approximately 800 new teachers a year. About half of those take jobs in the state of Montana; forty percent of the teaching jobs in Montana are filled by teachers educated in other states. The present projections for numbers of teachers needed in the future, prepared by the Office of Public Instruction, indicate that job market will remain relatively steady. Dr. Albrecht also explained the practice of teachers being educated in Montana of picking up additional endorsements (K-12 endorsements). Having those endorsements enhances their probability of being employed in Montana's small rural schools because they are qualified to perform a number of jobs. Eliminating the K-12 endorsements, therefore, would make it more difficult for graduates of teaching programs to be employed in Montana.

Dr. Albrecht illustrated with view graphs the intertwining or overlap of the elementary and secondary education programs at NMC. Elimination of the elementary program, while retaining the secondary program, would not result in elimination of any significant number of courses, nor reduction of faculty. Dr. Albrecht also presented material on the county of origin of the majority of students in

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elementary and secondary education programs at NMC (Hill and Cascade Counties). Approximately 70% of the graduates of the NMC elementary education program have been placed in teaching jobs over the past two to three years. The statewide percentage is 50%.

Elimination of the elementary education program would probably result in NMC losing approximately 144 FTE students. It can not be predicted if those students would transfer to another unit of the System. The revenue loss to NMC based on the loss of 144 FTE students would approximate \$151,000. The real cost, however, would be the cost to the state. That cost of eliminating elementary education is just over one-half million dollars. To make up that cost to the state, nine and one-half faculty positions would have to be eliminated, and as illustrated earlier, with the overlap of the two programs at NMC, it would be impossible to reduce the faculty by that number. If the students transferred to another unit of the System, the cost of their education to the state would be higher than if they continued at NMC. Because most of the faculty at NMC teach in both the elementary and secondary programs, there would have to be a reshuffling of faculty. It was noted, however, that there are many schools in the nation who teach only secondary education and the separation is not impossible.

For comparison purposes, Dr. Albrecht noted the cost to the state to provide the secondary education program at NMC is just over \$1 million. The cost to provide the two programs is just over \$1 1/2 million.

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Chairman Lind noted at this time the meeting will recess to allow Regents to act on a matter for the Montana Higher Education Student Assistance Corporation (MHESAC) and the Montana Guaranteed Student Loan Program. The regular meeting of the Board of Regents will reconvene at 1:30 p.m. and continue its discussion on the elementary education program at NMC.

Meeting of the Board of Regents with the Director of the Montana Guaranteed Student Loan Program and the Executive Director of the Montana Higher Education Student Assistance Corporation; Quality Inn, 1411 10th Avenue South; Great Falls, Montana

Chairman Lind convened the Board of Regents in open meeting for discussions with William Lannan, Director, Montana Guaranteed Student Loan Program, and James Stipcich, Executive Director, MHESAC. All members of the Board of Regents were present. Also present was Commissioner of Higher Education Carrol Krause.

Mr. Stipcich explained MHESAC has indicated its intent to issue Student Loan Revenue Bonds, Series 1988-A, which will be used to acquire student loans. MHESAC is requesting the Board of Regents approve the resolution providing Regental authorization for the necessary agreements.

Mr. Lannan, MGSLP, provided a status report on the "excess reserve" issue. He noted there had been no response to the March 8, 1988 letters he had written to Mr. C. Ronald Kimberling and Dewey L. Newman of the U.S. Department of Education. Mr. Lannan reported he believed the Montana reserves will not fall below 1.5% of the loans outstanding even if the "excess

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reserves" have to be paid to the federal government. Therefore, Mr. Lannan believed the Guarantee Agency will be able to honor their guarantee reserve agreements.

At the conclusion of the discussion it was moved by Regent McCarthy, seconded by Regent Riley, that the respective forms and authorization of execution and delivery of a Guarantee Reserve Agreement, a Depository Agreement, and a Guarantee Agreement be approved. It was further moved that the Guarantee Agreement and Servicing Agreement be approved and ratified. The motion carried.

Continuation of the Report on Elementary Education, NMC

Chairman Lind reconvened the Board of Regents meeting at 1:40 p.m. with the same members present.

President Merwin commended Dr. Albrecht for the focus and content of his report. Loss of the elementary education program would indeed cause NMC to suffer severe financial loss, compounded by the additional loss of the master's program in education. President Merwin reviewed reductions and consolidations in the administrative area recently accomplished at Northern; any further reductions would have to be made in faculty positions, and probably those in the mid-tech area would be most severely impacted. Based on facts presented to the Board concerning the ripple effect on the economy, the drastic budget reduction that would occur, and the impairment of educational opportunities to highline residents, he entreated the Board to reinstate the elementary education program at NMC.

Regent Kaze spoke to the issue. He came on board midstream in the process, and perhaps was not a

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part of a great many of the actions that led to this decision. He was, however, a member of the Board when the votes were cast, and he voted against many of the actions because they appeared to be strictly political, not based on sound education principles. The actions did not appear to be politically well received, however. Montanans need access to higher education through every means possible. This is the time for more access, not less. Retraining workers whose jobs no longer exist is a mandate that cannot be avoided by the educational institutions in the state. Substantial amounts of money are not saved by elimination of the elementary education program.

Based on all of the above, Regent Kaze moved to remove the July 1990 date for elimination of the elementary education program at Northern Montana College.

Wide ranging discussion ensued on the implications of the motion. Regent Kaze explained the short range purpose of his motion is to provide time for the Regents to address the access issue. Further study was suggested to address the access issue through distance learning or other methods. Regent Kaze stated he would not object to that direction, as long as one of the methods of providing access included reinstatement of the elementary education program at Northern Montana College. That may in fact be the most economical.

Regent Redlin stated she concurred with allowing the Board more time for study of the issue, and in fact had requested that action at the last meeting. What the study should encompass was discussed. Regent McCarthy did not dispute the wisdom of allowing time for

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further study to devise alternate ways to provide access, but did object to leaving the time period open ended. She did not believe that was fair to NMC's faculty, staff, or students. In response to questions, Regent Kaze explained the effect the effective date for the program's elimination has had and will continue to have on NMC's enrollments. Knowing a program is slated for elimination negatively impacts that program's enrollment. His motion removes that impairment.

Regent Redlin suggested an amendment to the motion before the Board that the time period for elimination of elementary education program be extended to 1991 with the stipulation that during the interim there will be a study conducted by the Commissioner's office which would explore alternate and original means of providing access for students desiring elementary education degrees in the Northern Montana College area.

Discussion continued on the Board's efforts to redefine role and scope of the institutions, the difficulty such delay of decision would create for Northern, what relevant new information could be developed by further study, and whether access can or should be provided in all locations in a state as large as Montana. Regent Kaze reiterated that the intent of his motion was in fact to reinstate the program, and to reverse what he considered to be a bad decision.

Regent Redlin then withdrew that portion of her amended motion which extended the elimination date to 1991.

Commissioner Krause commented on the tremendously difficult process the Board went through two years ago in considering ways it could focus the

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role and scope of the institutions. It is not unreasonable to consider alternatives before the Board acts; however, if it is the wish of the Board to reinstate the elementary education program at Northern, it should do just that. If that action is taken there will be substantial implications. Other campuses will demand similar reconsideration of actions taken in the last two years. In the Commissioner's opinion, Regent Kaze's motion still leaves Northern in a state of uncertainty.

Regent Kaze then made a substitute motion to reinstate elementary education at Northern Montana College.

Given that action, Regent Redlin withdrew her amended motion to Regent Kaze's original motion.

Regent Redlin then commented on her perception of the original purpose of the Issues in Higher Education study conducted by the Commissioner at the Board's request. There were political considerations. However, one of the purposes was to sharpen the focus of the institutions, and one of the results of that sharpened focus was elimination of the business programs at Western and Tech, and the elementary education program at Northern. Consideration must now be given to the fact that elimination of programs does not automatically result in savings to the state. Regent Redlin concluded that while she would not oppose reinstatement of elementary education at Northern, it would still be wise to study the focus of all the institutions to determine if more can be done to narrow their scope without eliminating flexibility.

Chairman Lind spoke to the continuing

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problem the University System faces in trying to respond to the public perception that nothing is being done to focus the institutions or eliminate duplication. The results of the recently released MonTax poll cite these issues as part of the public's dissatisfaction with the System.

Regent Mathers stated his position is to support Regent Kaze's motion for reinstatement at this time. If the University System is not funded adequately during the 1989 legislative session and drastic cuts have to be made he will be the first to support not only elimination of this program, but also elimination or reduction of programs at all other units. The legislature must take positive action to increase funding for the University System. If it does not, then the role of the entire System will have to be reexamined.

The question was called on the motion to reinstate elementary education at Northern Montana College. The motion carried with Regents Redlin, Riley, Kaze, and Mathers voting yes: Regents McCarthy and Hurwiz voting no.

Regent McCarthy then moved to rescind all actions taken at the January 1986 meeting including but not limited to elimination of the business programs at Montana Tech and Western Montana College; the merger of Western Montana College with the University of Montana, and elimination of the engineering science program at Montana State University. The motion is intended to rescind the actions on all programs which were eliminated.

Chairman Lind called for discussion on the motion, noting he did not support the motion. Regent McCarthy stated it is a fair motion; if role and scope

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is to be redefined at one or two of the schools, it should also be redefined at all of the schools.

The question was called. Regents McCarthy, Riley, and Hurwitz voted yes; Regents Kaze; Redlin, Mathers, and Chairman Lind voted no. The motion failed.

TELECOMMUNICATION COMMITTEE

Submission Agenda

Item 60-004-R0788, Telecommunications Instruction Policy; Montana University System, was received for consideration at a future meeting.

Report on Telecommunications

Deputy Commissioner Albrecht presented a report on actions taken and pending in the study of telecommunications options to provide the best telecommunications system for the state of Montana. Questions are being explored on who should own what parts of the system, the costs involved, and what types of such systems Montana should have. Discussion has been held on a microwave backbone, a satellite system, and the use of telephone lines as alternatives. Dr. Albrecht elaborated on each of the methods of providing the service, and funding options. An engineering study of the microwave backbone is needed. How programs would be fed to satellite uplinks in neighboring states needs to be studied. Costs of the satellite uplink range from \$300,000 to \$500,000. The dishes range from \$10,000 - \$12,000 each. Time on the transponder as available is between \$200 - \$400 per hour. A dedicated satellite would cost approximately \$1.5 million per year. Rough estimates to complete the microwave backbone range as high as \$4 million. Of that amount, the federal

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government might pick up as much as \$3 million. Before any of those questions are answered the Board must determine what it wants to do with telecommunications in Montana.

The HJR 58 Task Force is concerned with the needs of not only the University System, but also those of the Office of Public Instruction and the Department of Administration. Incentives must be provided to the institutions so they are interested in developing and delivering programming through this medium. An enormous amount of time and resources would have to be devoted to produce programs to be sent out to cities and rural areas. There is also the option of allowing other states provide the programs for rural Montana.

Options will be brought to the Board for its consideration in the next few months. It is hoped the options can be presented in such a way that the question of what the System wishes to do with telecommunications is decided upon; then discuss the technology needed to accomplish those goals.

Commissioner Krause reported briefly on activities of the HJR 58 Task Force. Microwave technology is appearing to be the more attractive method if the appropriate engineering planning can be accomplished within the time frame. There is also the possibility an implementation grant can be obtained if the legislature will provide twenty-five percent of the funding. A statewide council with representatives of all users would be established.

A video tape was shown prepared by the state of Utah which outlined what could be accomplished using microwave technology in Montana. Slow scan video

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technology could be utilized for the areas of Montana that could not be served by microwave because of the limited population.

CAPITAL CONSTRUCTION COMMITTEE

After individual review and discussion by appropriate campus personnel, the following actions were taken on items on the Capital Construction Committee agenda:

On motion of Regent Redlin, Item 60-704-R0788, Authorization to Dispose of a Residence; Eastern Montana College was approved.

On motion of Regent Kaze, Item 60-205-R0788, Authorization to name the Montana State University Nutrition Center; Montana State University was approved.

On motion of Regent McCarthy, Item 60-206-R0788, Authorization to name the Day Care-Community Center; Montana State University was approved.

On motion of Regent Redlin, Item 60-701-R0788, Authorization to name the Main Gymnasium in the Physical Education Building the Alterowitz Gymnasium; Eastern Montana College was approved.

On motion of Regent Redlin, Item 60-702-R0788, Purchase of Real Property; Eastern Montana College was approved.

On motion of Regent Kaze, Item 60-703-R0788, Appointment of Engineer to Plan Improvements to the Cisel Hall Parking Lot; Eastern Montana College was approved.

On motion of Regent McCarthy, Item 60-9001-R0788, Purchase of Real Property; Helena Vocational-Technical Center was approved.

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On motion of Regent Redlin, Item 60-9501-R0788, Authorization to Grant Easement; Missoula Vocational-Technical Center was approved.

NEW BUSINESS

Employee Appeal

Chief Counsel LeRoy Schramm reported he was told on Friday by the MEA representative that the appeal was not being withdrawn and the desire of the grievant is that the appeal go forward, but neither the grievant nor the MEA representative would be present for this hearing. It was agreed Dr. Schramm would summarize the issues.

Dr. Schramm referenced the material on the Missoula Vo-Tech employee Dorothy McVeigh appeal sent with the agenda material. That material (on file) included the Commissioner's Decision dated June 9, 1988; a memorandum submitted in support of Dorothy McVeigh dated May 5, 1988, and a transcript of the grievance hearing of January 18, 1988. The assumption on which the appeal is heard is that until the vocational-technical system develops its own appeals process, employees of the vo-techs are covered by the general appeals process of the Montana University System which simply states any aggrieved person can bring anything up through the Commissioner to the Board of Regents.

Dr. Schramm summarized the issue and the facts in the matter as contained in the transcript of the grievance hearing and the appeal to the Commissioner on behalf of the grievant. The Commissioner's Decision portrays this is a decision that could have gone either way. In the Regents appeal procedure, however, there is

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a strong presumption that the Commissioner will not substitute his judgment for the judgment of the appropriate campus officer unless there is an abuse of discretion or no basis for the decision reached. That is clearly not the case in this matter. The appeal process is working, and Dr. Schramm recommended the Board uphold the decisions denying the grievance.

Discussion of the grievance included Regental concern that this type of grievance, with the expansion of the System to include the vocational-technical centers, might not expand to such a degree that other options should be explored to address them. Dr. Schramm stated this has been discussed in the Commissioner's office. The appeals policy of this Board is probably unlike any other in the United States. It states persons aggrieved by a campus decision may bring that grievance through the Commissioner to the Board of Regents. It is wide open. The question rises: Is that a burden on the Board? In the past it has not been a burden. The uniqueness of the policy is not a criticism. In many ways it is one of the privileges of living in a state like Montana that is small enough in population to allow such access, and is one of the things Montanans treasure. The negative side is that occasionally the Board will have to spend some of its time on issues such as the one before it today. It is, however, a valuable tradition, and unless the volume increases dramatically is probably worth protecting. The process probably reduces considerably the amount of litigation most other states are involved in.

On motion of Regent McCarthy, the appeal of the Commissioner's decision was denied.

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Item 60-005-R0788, Paul Douglas Teacher Scholarships
1988-89; Montana University System

William Lannan presented the item which renews the students listed as Paul Douglas Scholars for the 1988-89 academic year. The students have requested renewal, remained in teacher education programs, and made satisfactory progress. On motion of Regent McCarthy, the item was approved.

1988-89 Allocation of State Work Study Funds

Commissioner Krause distributed copies of the allocation of state work study funds to the University System units and community colleges. Mr. Lannan explained the program was funded, albeit at a very reduced level, primarily due to the lobbying efforts of students of those entities. The enabling legislation identifies the institutions available to receive the funding. The question was raised last year if the vocational-technical centers should participate in the allocation since they are now under the aegis of the Board of Regents. It was the staff's thesis that the Centers not be included in the allocation because of the work done to pass the legislation by students of the units and community colleges. Including the Centers would reduce the amounts received by the nine entities by approximately 15%. The plan now is to include the student government leaders of the Centers in the lobbying effort in the 1989 Legislative Session to increase the amount of money appropriated for work study funds so proportionate shares can be allocated to those students. On motion of Regent McCarthy, the following allocations totalling \$276,450 were approved:

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UM	\$ 75,491
MSU	105,342
EMC	37,781
TECH	16,391
NMC	16,420
WMC	8,806
DCC	3,850
FVCC	7,729
MCC	<u>4,640</u>
TOTAL	\$276,450

Commissioner's Report

Commissioner Krause presented three 30-second video public service announcements supporting the Six Mill Levy Campaign which have been prepared and distributed statewide to every television station in Montana. The PSA's thank the citizens for their past support of the levy and the University System, and encourage their support for Referendum 106.

The Council of Presidents, Board of Public Education, Office of Public Instruction, Faculty Association, and the Montana Associated Students had no report.

On behalf of the Board and all attendees of the meeting, Chairman Lind thanked Director Will Weaver and all the staff involved in making the meeting at the Great Falls Vocational-Technical Center such a success. A great deal of effort was expended by many people, and the warm hospitality is appreciated and acknowledged.

Regular Agenda

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

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Item 60-100-R0788, Staff; University of Montana
Item 60-101-R0788, Resolution Concerning the
Retirement of Mark Behan,
Professor of Botany, College of
Arts and Sciences; University of
Montana

Item 60-200-R0788, Staff; Montana State University
(With Addendum and as amended on
page 4)

Item 60-201-R0788, Post Retirement Contract; Edward
L. Hanson; Montana State University

Item 60-202-R0788, Post Retirement Contract; Byron J.
Bennett; Montana State University

Item 60-203-R0788, Retirement of Kenneth L. Nordtvedt
Jr.; Montana State University

Item 60-204-R0788, Retirement of Byron J. Bennett;
Montana State University

Item 60-300-R0788, Staff; Agricultural Experiment
Station

Item 60-301-R0788, Retirement of Edgardo Lozano;
Agricultural Experiment Station

Item 60-400-R0788, Staff; Cooperative Extension
Service

Item 60-500A-R0788, Staff; Montana Bureau of Mines and
Geology

Item 60-600-R0788, Staff; Western Montana College of
the University of Montana

Item 60-700-R0788, Staff; Eastern Montana College
(with corrected page 3)

Item 60-710-R0788, Degrees; Eastern Montana College

Item 60-800-R0788, Staff; Northern Montana College

Item 60-801-R0788, Resolution on the Retirement of
Assistant Professor Thomas G.
Nielson; Northern Montana College

Item 60-802-R0788, Resolution on the Retirement of
Mrs. L. Lynn Ophus; Northern
Montana College

Item 60-810-R0788, Certificates and Degrees; Northern
Montana College

Item 60-900-R0788, Staff; Office of Commissioner of
Higher Education

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Presidential Evaluation of President James Koch,
University of Montana

President Koch distributed copies of an "Annual Report to the Board of Regents, University of Montana, July 1988" (on file). He reported by nearly any criterion, the 1987-88 fiscal year at the University was less tumultuous and more stable than the previous fiscal year. Much of his time and the University's attention focused in four major areas: (1) Intermediate and long range planning - via the Academic Issues Project, a two stage, two year process; (2) planning and implementation of the merger between the University and Western Montana College; (3) external relations, and (4) the University's perennial struggle to maintain the quality of its academic offerings when faced with successive years of extremely tight budgets. President Koch elaborated on each of the four major areas, highlighting goals and accomplishments in each of the areas.

President Koch spent some time on area number 4 - the struggle to maintain quality. With the University's average compensation of its full professors ranked 174th out of 174 institutions classed as Class I doctoral universities, faculty and staff morale must be assessed as low. He expressed sincere appreciation to the Board for placing itself visibly on the line on the faculty salary issue with the "six and six" salary plank in the UTU-Regents collective bargaining agreement.

In light of the many fiscal difficulties the University has faced, the continuing achievements of its faculty and staff are remarkable. President Koch reviewed examples contained in his report of many

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notable student and faculty achievements and triumphs; i.e., over 60 percent of students in UM's School of Business who took all five parts of the CPA examination passed all five parts. The national average is 18 percent. Such "outputs" are used in discussions with accrediting agencies who seem more concerned with "inputs."

President Koch discussed with the Board major developments in academic affairs, university relations, student affairs, administration and finance, and the effect the University's budgetary problems have in continuing the University's professional programs' accreditations. It is not a viable option for the University to forgoe or reject the accreditation of its professional programs. The University must either maintain accreditation of its professional programs, or give serious consideration to the termination of programs that cannot meet the external standards set by the professional accrediting organizations.

President Koch stated as he looked forward to the coming year he believed the University of Montana may have turned a corner in terms of how it is perceived throughout the state, its attractiveness to students, the stability on the campus -- generally the mood is one of looking forward with some anticipation. A series of very difficult issues have been dealt with in the last year without "explosions". The "plate of the University is filled with opportunities." The task will be to focus the Universities energies; to try to do better at certain things; to do more of things being done well; and to consider eliminating certain things no longer central to the University's mission.

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At the conclusion of his report, President Koch responded to Regents' questions on various aspects of the report, and on how he perceived the Six Mill Levy would be treated in the election based on his travels around the state. Accreditation issues were discussed, as were faculty and administrative salaries, and recruitment problems.

Chairman Lind and other Board members commended President Koch on the list of accomplishments presented to the Board in this report, and stated their appreciation for the positive actions taken to improve how the University is perceived not only by the faculty, staff, and students, but by all citizens of the state.

Chairman Lind then stated at this time the Board would be dealing with matters that relate to the individual and personal privacy of President Koch. In the Chairman's opinion the demands of Dr. Koch's individual privacy clearly exceed the merits of public disclosure, and in the absence of a waiver, the remainder of the meeting on the evaluation of President Koch was closed.

The open meeting adjourned at 4:05 p.m. The next regularly scheduled meeting of the Board of Regents will be held on September 15-16, 1988, in Helena, Montana.

