

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

DATE: March 16-17, 1989

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

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

REGENTS ABSENT: Mathers

PRESIDENTS PRESENT: Koch, Merwin, Tietz,
Vice President Toppen representing President
Lindsay;
Vice President Sexton representing President
Carpenter

PRESIDENTS ABSENT: Carpenter, Norman, Provost Easton

Minutes of Thursday, March 16, 1989

Chairman Lind called the meeting to order at 1:30 p.m. Roll call was taken and it was determined a quorum was present.

Budget Committee

William Lannan distributed and reviewed Item 62-901-R0389, Approval of the Respective Forms and Authorization of Execution and Delivery of a Guarantee Reserve Agreement, a Depository Agreement and a Guarantee Agreement; and Approval and Ratification of Two Guarantee Agreements and a Servicing Agreement, Montana Guaranteed Student Loan

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Program, an addition to the agenda. He explained the Montana Higher Education Student Assistance Corporation (MHESAC) has indicated its intent to issue Student Loan Revenue Bonds, Series 1989-A, which will be used to acquire student loans. The resolution before the Board authorizes the agreements necessary for the issuance of the bonds. Commissioner Krause and Chairman Lind elaborated briefly on the purpose of the resolution, and recommended its approval.

After discussion, on motion of Regent Hurwitz, Item 62-901-R0389, was approved.

By-laws and Policy Committee

Action Agenda

Item 34-104-R1281, Collection and Remittance of Fees for Student Non-Profit, Non-Partisan Organization; University of Montana, was presented for consideration.

Regent McCarthy moved that Item 34-104-R1281 be amended to change the present waivable/refundable fee collection method to a positive check off system by July 1, 1989.

Chairman Lind opened the meeting to public comment, explaining the item is before the Board for review. If no action is taken, the present fee collecting method will continue. He called first for testimony in support of Regent McCarthy's motion to change the fee collection method. He asked further that testimony not be repetitive.

Jennifer Isern, President of ASUM, stated a resolution in support of the negative check off had been approved at ASUM's last meeting. However, since that meeting, it has been brought to their attention

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that the information presented to them by MontPIRG may not have been accurate. In light of that information, ASUM is now taking a position of opposing the negative check off system.

Rob Bell, UM student and former MontPIRG intern, expressed support for the positive check off system. Board of Regents policy 1906 states that authority for collecting the fee shall be terminated at any time when in two consecutive quarters the total of those students waiving the fee and requesting refunds equals more than 50% of the students subject to the regular registration process. Bell contended that at the time the information was submitted to ASUM for consideration MONTPIRG did not have more than 50% of the students paying for fall quarter and that MontPIRG renewed memberships retroactively to make up the difference. He stated that student money was spent on a ballot issue which was not the intent of the waivable fee. He was in favor of removing the waivable fee from the fee waiver form.

Arron Ellsworth, ASUM Senator and ASUM President Elect, expressed concern that a majority of the students had not signed the petition. He felt that he and the other senators of ASUM were lied to and used by MontPIRG. He felt that this misrepresentation has thrown doubt on the organization. He asked that the Board endorse the positive check off system.

Also speaking in favor of the motion to change the fee to a positive check off were James Moe of UM and Andrew Long of ASMSU.

The following testimony was presented in opposition to a change in the funding mechanism of MontPIRG:

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Fred Sargesen, MontPIRG Chairman, presented a petition signed by 4410 registered students at UM in support of MontPIRG and its funding. He noted MontPIRG is endorsed by a number of student leaders and the faculty senate. Copies of letters from faculty and other interested persons in support of MontPIRG and its present funding method were also presented.

Scott Snellson, past ASUM President, spoke to the publicity accompanying the petition drive, stating over 100 student volunteers worked on the drive and its success is evidenced by the number of signatures. He urged this issue be decided on the campus, not before the Board of Regents.

Paul Tuss, Past President ASUM, Chairman of the Board of MontPIRG, spoke in support of continuation of the waivable fee funding mechanism, noting people who have complaints with the way MontPIRG conducts its business should take their complaints to the Board of Directors of MontPIRG rather than the Regents.

Jonathan Motl, Attorney for MontPIRG defended the group's controversial support of the bottle bill initiative, stating money to support this bill was taken in by door to door citizen contributions. Student funds were not used to support the bill.

Also speaking in opposition to the motion were Jackie Amsten and C.D. Thurston.

President Koch, UM, stated that philosophically he favors a positive check off funding method, but it should be noted also that MontPIRG has done much to reduce the probability that some students are paying who do not wish to do so. While he was not terribly anxious to have "hot issues" like this in his

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office, he would encourage the change to a permissive fee collecting method.

At this time Chairman Lind called for discussion from the Board.

Regent Kaze expressed his concern over the frequency with which this issue continues to appear on the agenda. He suggested the campus pursue the possibility of handling the issue.

Regent Redlin expressed her support for leaving the waivable/refundable fee as it is in current policy. The policy was written to assure that as soon as the majority of student support is gone, MontPIRG is out. She questioned what effect the motion would have on existing policy. If the motion to change the fee collection mechanism passes, the policy needs to be carefully examined to eliminate procedures that apply to continuation and documenting continued support.

Regent Kaze again reiterated his belief this issue should not be before this Board so frequently, nor occupy so much of the Board's time. He stated it belongs on the campus. Methods should be explored to get it back there.

Chairman Lind responded Board policy provides that after 6 months any issue can be brought back for reconsideration. While there can be in-house administrative recommendations, this Board or future members of this Board may still be faced with this issue.

Commissioner Krause noted there is perhaps no need to have this discussion every two years. The policy provides that when student support falls

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beneath a certain percentage of students, then MontPIRG is no longer in existence. The provision for review was put in the policy when the funding mechanism was placed on the agenda for reconsideration approximately 18 months ago. That two year provision can be amended out of existing policy. UM administration may need to become involved in some manner in the validation of student signatures on the required majority petition.

Regent Redlin noted membership drives and particularly the timing of the membership drives seemed to be a bone of contention. She asked if it would be appropriate to amend the policy, retaining the waivable refundable check off fee, but requiring that membership drives be completed in one or two weeks of the winter quarter. Simply changing to a positive check off fee collection method is not going to make the issue go away, and probably putting responsibility on the campus won't make it go away.

Regent Kaze stated there really are two issues involved in this discussion: one is a policy question and the other is a campus administrative problem concerning signature validation and percentage of students signing the majority petition. The matter before the Board is one of policy, a positive versus negative funding method.

Regent Kaze asked if a motion to table was in order. If Item 8 in the policy has expired by its own terms there appears to be logic in arguing that the decision whether or not adequate support is shown for continuation of MontPIRG will be made on the campus. A successful motion to table would perhaps allow the present policy to work.

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Commissioner Krause explained as long as there is a 50% vote in support of MontPIRG and its present funding mechanism, it will continue; if student support drops below that percentage, MontPIRG ceases to exist. If Regent McCarthy's motion passes, the word "waivable" will change in the description of the fee collection process, and certain other procedural changes will be necessary. The possibility does exist that six months from now it could be brought back requesting reinstatement of the waivable fee.

Hearing no further discussion, Chairman Lind stated the vote that will be taken is on Regent McCarthy's motion that the waivable/refundable fee be replaced by a positive check off.

Regent Redlin then moved that motion be tabled until the Board has an opportunity to investigate the feasibility of handling the matter on campus.

Chairman Lind noted he believed, like Regent Kaze, that the Board needs to come to a decision which will prevent this matter being continuously brought back before the Board. Perhaps that could occur under the present policy, but definition needs to be given to what constitutes the majority of the student body, and what constitutes a time frame for an election or a petition drive. If student support is not shown under the specific policy requirements the Board does not have to readdress the issue. It is essential the Board provide specific definitions and expectations and allow MontPIRG to exist on its own merits. The students have done what they believed they were supposed to do in garnering

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support. Part of the problem was created by the Board by its not making clear what was intended.

Regent Redlin stated her intention is not to delay action on Regent McCarthy's motion, but to take time to look at other options. She asked her motion be amended to state "table the action until June 1989."

Regent Kaze asked if the Chair would exercise its option to delay voting on the motions until tomorrow's meeting to allow time for language to be drafted. Chairman Lind declined.

The question was called on the motion to table. Regent Redlin voted yes; Regents Kaze, Hurwitz, McCarthy and Riley voted no. The motion failed.

The question was then called on Regent McCarthy's motion to change MontPIRG's funding mechanism from a waivable refundable fee to a positive check off effective July 1, 1989. Regents Hurwitz, McCarthy and Riley voted aye; Regents Redlin and Kaze voted nay. The motion carried.

Commissioner's staff was instructed to review the policy and present appropriate revisions to the Board for approval within the time frame of the July 1, 1989 effective date.

Budget Committee

Proposed Tuition Increases for the Montana University System and the Vocational-Technical Centers. Chairman Lind stated the staff recommendations on tuition increases are contained in the two memorandums from Deputy Commissioner for

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Management and Fiscal Affairs Jack Noble (on file), and have been widely distributed to all interested parties well in advance of today's meeting. The average increase for a full time vo-tech student will be \$48 for in-state students and \$108 for out-of-state students and will generate approximately \$332,000 in added revenue over the next biennium.

The increase for units of the System is approximately 14%, and will generate approximately \$4.2 million each year over the previously projected revenue estimates. The essential components of this proposed change are: (1) increase in-state rates \$3.00 per quarter hour; (2) increase out-of-state rates \$2.50 per quarter hour; (3) shorten the current tuition flat spot from 12-18 credits to 14-18 credits; and (4) the 12th and 13th credit would increase at 1/2 the normal credit rate. All of the additional revenue has been directed to the instruction program, resulting in a direct relationship of this tuition effort and the goal of maintaining and improving the quality of academic programs within the System.

Public testimony was solicited on the two proposals, and on the various supplemental fees imposed on certain programs such as the architecture program at MSU.

Kerrie Padgett presented and reviewed written testimony and budget information on the architecture program (on file) on behalf of first and second year architecture students at MSU. In summary, Ms. Padgett noted if the proposed 14% tuition increase is accepted, architecture students will pay an additional \$700 per year for in-state students and over \$1,200 per year for out-of-state students over

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and above the "super tuition" imposed on that program by previous action of the Regents. A large percentage of students in the program are out-of-state students, but with continuing tuition increases this may change. The super tuition coupled with a proposed 14% tuition increase is an exorbitant amount to expect students to pay for an undergraduate degree. Architecture students asked that the super tuition be rescinded.

At Chairman Lind's request, President Tietz, MSU, reviewed the proposed closure of the architecture program. That proposal was based in part on the availability of the study of architecture for Montana students through the WICHE organization at less cost than at MSU. The program is expensive to offer because of smaller class size, library needs, salaries of instructors, and because it is a five year program. The number of students in the architecture program was also reviewed by President Tietz.

Tom Upton, President of ASMSU and also speaking for the Montana Associated Students, reviewed ASMSU's endorsement of the "super tuition" as a short term solution to support the architecture program at MSU. ASMSU believes that short term is at an end. ASMSU recommends a gradual reduction or elimination of the additional tuition.

Speaking to the 14% tuition increase, MAS endorsed a 6% and 4% tuition increase over the next two years, or a 5% and 5% increase. Students believe it is not unreasonable to ask students to pay the current approximately 23.4% of the cost of their education which they now pay. They do believe it is

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unreasonable to continue to increase the students' percentage of the cost of education. Mr. Upton asked the motion to increase tuition be tabled to give students an opportunity to lobby the legislature for increased funding for higher education.

At Chairman Lind's request, Deputy Commissioner Noble spoke to the impact of such a delay. Mr. Noble opposed tabling the motion. He recommended the Board approve the tuition increase while the legislature is in session with the contingency expressed that the motion could be reconsidered if the legislature provides additional revenue. If the budgets have to be reduced and the commitments made to improve quality of instruction and academic support have to be withdrawn there will be serious repercussions for the Regents and the System.

Commissioner Krause endorsed Mr. Noble's comments, noting he certainly felt empathy with the students' position. If there is a "windfall," certainly options would be examined. He recommended positive action on the recommended tuition increases.

Ellen Bates, President of ASEMC presented a resolution which she asked to have attached to the staff recommendation (on file). The resolution states the Board would reconsider the 14% increase if additional revenue is provided by the legislature that makes available other sources of state funds that would provide full funding for the formula budget of the six campuses of the System obtained, and provides an opportunity for students to state a 10% increase is the most they can tolerate.

Mike Craig, lobbyist for ASUM, asked the

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Board consider minimizing the impact of the tuition increase by spreading it over the biennium rather than implementing it in full in the first year.

Chairman Lind noted that due to time constraints, action on the tuition increase will be carried over to tomorrow's meeting.

The meeting recessed at 3:26 p.m.

Minutes of Friday, March 17, 1989

Chairman Lind called the meeting to order at 9:00 a.m. with the same members present.

Chairman Lind called for additions or corrections to the minutes of the previous meeting. None were stated, and the minutes of the January 27, 1989 meeting were ordered approved.

Continuation on the Tuition Proposals Before the Board

Chairman Lind noted public testimony was completed on the proposed tuition increases in yesterday's meeting. He opened the floor for comments from campus administrators. None were stated.

Mike Craig, lobbyist for ASUM, asked for time for additional student comment. Chairman Lind concurred.

Mr. Craig reiterated student opposition to the 14% increase, endorsing one no higher than 10%. He asked also that the student resolution presented yesterday be appended to the staff recommendation. He also questioned budget amendment requests pending before the legislature which students believed indicated an overcharge to students, and expressed student concern over a \$600,000 budget cut in the formula funding which students fear they will have to

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backfill in addition to the increased tuition. Mr. Craig also questioned the contractual agreement entered into between the Regents and the faculty providing much needed raises to the faculty. In his view, that commitment was made without the Regents knowing where the funding would come from, and with the financial responsibility appears to be falling on the students.

Chairman Lind responded to the questioned "overcharge" to students. It was not an overcharge, but an unanticipated collection of additional money due to increased enrollment. The legislature must appropriate those funds to the campuses, providing spending authority. It should be noted than when there are additional students enrolled, there are also additional costs associated with educating those students.

Regent Redlin commented it is not completely accurate to say the Regents did not know where the money was coming from for increased faculty salaries. They did know. One source is tuition; the second is the possibility of faculty cutbacks to make up the difference. Faculty cutbacks impact students in a very negative manner because it impacts the quality of instruction students receive. Regent Redlin stated while she was not pleased with a 14% tuition increase, weighing it against the possibility of losing even more faculty makes it appear worth it.

In response to Regents' questions, President Tietz responded to comments made yesterday on the imposition and disposition of the super tuition for the architecture program. He explained at the time the super tuition was considered the Governor's

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budget of December 1986 called for Montana State University to drop its budget by about \$3 million. MSU went through the academic programs, assigned reductions and at the same time developed a long range plan. The long range plan for the School of Architecture was termination. The short range reduction was \$81,000. In addition there had been a reduction the previous year in one position and in operation budgets which were the result of the 2.5% reduction by the Governor and the reduction due to the revenue short fall as a result of declining enrollment. The net result was that the School of Architecture had been reduced by one position and operating budget of about \$49,000 and a direct reduction of its budget anticipated for the coming year of \$81,000. The super tuition was calculated on that base. The result was one position was returned to the School of Architecture and they were permitted to fill two positions that were lost because there was question whether the program would be continued or not. Essentially there were three positions filled, one new position and two that were filled in order to keep the program accredited. The \$130,000 went into their budget. Roughly \$97,000 was reclaimed in 1988 and \$95,000 in 1989, so the institution subsidized the school by \$33,200 in 1988 and \$35,000 in 1989.

During the time other programs were being reduced in funding, arts and architecture was increased by .9%. The architecture program was increased by 5.8%. So although there was a drop of some \$5,000 between 1988 and 1989, from 1987 to 1989

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the increase was almost 6%. It is unfair to indicate that for some reason or other the institution was diverting the tuition money. It was very clearly assigned to the architecture program and maintained that architecture program at an increasing budget while the rest of the institution was being reduced. Between 1988 and 1989 MSU removed \$537,000 from the academic programs and the portion assigned to architecture in that general reduction was just \$5,000. It is now a very healthy program.

President Tietz also pointed out that the students who presented the statement to the Board was from the first and second year classes. The third, fourth and fifth year students were those who voted on the super tuition and did not participate in drafting the statement and presenting it.

President Tietz said speaking from a personal point of view he had a problem to committing to any increase in tuition as a policy matter. From the instability that appears prevalent in the legislature at this juncture it seems unwise to make a firm commitment on any tuition change at this time.

Chairman Lind asked President Tietz what the impact of removing the super tuition would be.

President Tietz responded if MSU leaves the super tuition just as it is at the present time it would have to take \$130,000 out of the current budget to maintain it as it is. If the super tuition is not continued, MSU cannot guarantee protection for that \$130,000. The program in architecture would be subject to necessary reductions along with all other programs.

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Regent Redlin asked President Tietz if he thought the super tuition could ever be removed.

President Tietz indicated that will depend on what happens with the overall funding. Overall level of revenue, enrollment and legislative action will all play a role in what happens with the super tuition. He did not see it changing in the immediate future.

Mr. Noble briefly discussed the problem of surcharges offsetting general fund revenue. It has been discussed with some members of the Education Subcommittee. The goal is to address it in more depth in discussions with the Senate Finance and Claims Committee and develop a policy under the new formula on how these surcharges will be treated.

Chairman Lind asked Mr. Noble to explain what would happen if the Board split the tuition charge and did not put it on the first year.

Deputy Commissioner Noble stated if the Board changes from 14% the first year to a 7% and 7% there will be a \$2.1 million decline in the formula. The Board has just gone through the difficulty of taking out \$1.4 million. It would now have to take out \$2.1 million. It would be very difficult to leave the library component or the salary component in the budgets. Something is going to get touched if the Board changes the tuition recommendation as it now stands.

Chairman Lind asked if the Board is at risk in coming in with 14% at this point.

Deputy Commissioner Noble indicated it would be appropriate for the Regents to take definite

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action on the tuition increase and incorporate the students' resolution that if the legislature would find other revenues that would sustain the formula at its current level, then the Regents would reconsider. Without a definitive action the legislature may or may not act. They would not know whether the Board is going to approve or not approve the tuition. Mr. Noble stated he believed there are risks either way, but the Regents should take the definitive action, approve the increases and provide for a contingency if the legislature chooses to reduce tuition by providing other general fund sources.

Chairman Lind asked what risk there is if the Board passes the 14% and the legislature then funds at a lower level than the \$13 million on which the budgets are built.

Deputy Commissioner Noble responded the only way the legislature can fund the level of budget and use less tuition is to put other money in. It either has to cut or provide other revenue sources that meet the level of expenditures.

Commissioner Krause stated there is always a risk. It is important for the Board to be up front about the tuition increase. We are more sure of our commitment on the general fund side if the tuition increase is in place. It also gives the students a better position to focus on in attempting to increase the general fund dollars allocated to higher education. It provides a solid base for their arguments for increased funding.

President Merwin agreed with great reluctance that the tuition increase should be put in place now.

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President Tietz reiterated his belief that tuition increases in the past have resulted in loss of general funds. Delaying the decision until the legislature makes its funding decisions is more appropriate.

Commissioner Krause noted if the Board does approve the 14% tuition increase and the legislature backs away from additional funding, the alternative is not to come back and increase tuition, but rather to start talking about program reductions that would allow institutions to operate at the level of funding available.

Regent Redlin commented the national trend is to increase tuitions, and she felt no need to apologize for an increase. She did feel apologetic about a 14% increase. However, the alternatives facing the system are even less attractive. She stated for the record there is no way she would consider raising tuition above 14%.

Regent Riley, speaking for the students, stated students realize a tuition increase is necessary. They do not think a 14% increase is fair. The resolution the students presented was fine, but historically once the tuition is raised, it stays that way. Students know the faculty need raises. This increase is 14%; the next increase may be 20%. Soon no one will be able to send their children to college. She stated she could not support a 14% increase.

Regent Redlin moved to approve the suggested tuition increases for the vocational-technical centers and the System increases with the

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attachment of the resolution from the students concerning the possible reduction if state funding increases.

Chairman Lind asked for discussion on the motion. He asked Deputy Commissioner Noble to comment on the percentage increase the system will receive over the biennium, including the 14%.

Deputy Commissioner Noble stated that the annual increase for the 6 campuses will go up at a rate of slightly over 5%. With the tuition included the total increases are going to approximate the rate of inflation. Its hard to say that there is a real gain. In the present economic climate this will at most avoid further loss or erosion. There has been much discussion of the \$13 million the System will receive, but this is in part an illusion due to required bond payments for the vo-techs; reductions in the 6-mill levy account, and other factors. Of that \$13 million, only about \$9 million is available to increase the expenditures of the postsecondary education community - the vo-techs, the university system, and the community colleges.

Chairman Lind stated that every effort is being made to improve the System's position, but it is difficult staying even with inflation. The efforts of the governor and the legislature to assist us in that regard are deeply appreciated. As Regents, there is responsibility to provide dollars through tuition to maintain the standards necessary to provide a quality education system for Montana's citizens. He spoke to the Regents' commitment through the last three legislative sessions to improve faculty salaries.

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Funding was not forthcoming. A commitment was made to improve faculty salaries now knowing it would mean tuition increases or diminishment in some other areas or programs. A similar commitment was made to improve library resources. The staff recommendation to increase tuitions 14% provides the base funding necessary to support faculty salaries, libraries and instructional support. Chairman Lind stated he would stand with the students and argue the tuition increase should be only 10%, and the legislature should make up the other 4%. However, the System can not afford to fund below the level set, and that requires the 14% tuition increase. For that reason Chairman Lind voiced his support of the staff recommendation.

Chairman Lind noted most of today's comments were directed at the 6 units of the University System. The budget provided for the 5 vocational-technical centers basically maintains them at current level. To do that, tuition increases were necessary at the centers also.

Comments were solicited from the directors of the vo-techs.

Alex Capdeville, Director of the Helena Vo-Tech, stated it should be noted the vo-tech tuition increase is 6.7%, compared to the six units' 14% increase. In prior years the legislative subcommittee has had the authority to raise tuition, and in the last biennium it was raised 16%.

Regent Hurwitz called the question on the motion to approve the staff recommendation for the increase in tuitions for the units of the University System, and the Vocational-Technical System. The

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resolution presented by the students will be appended to the staff recommendation. Regents Kaze, Hurwitz, McCarthy, and Redlin voted yes; Regent Riley voted no. The motion carried.

Bylaws and Policy Committee

Submission Agenda

Item 62-101-R0389, Authorization for Educational Institutions Under the Authority of the Board of Regents to Provide Limited Printing Services, was briefly reviewed and received for consideration at the May 1989 meeting.

President Koch, UM, stated for the record that the University of Montana operates one of the largest printing operations of any of the campuses, and frequently does work for other campuses. UM believes this is legitimate and needed to offer pertinent services that directly service educational activities. UM does believe it is inappropriate to do work for other state agencies or for private individuals. The intent of this resolution is to restrict the University of Montana to doing those printing jobs that directly relate to the higher education system. This is what they are doing now. The policy clarifies the practice.

Item 31-004-R0681 Holiday Exchange, Montana University System (REVISED), was briefly reviewed and received for consideration at the May 1989 meeting.

Action Agenda

Chairman Lind stated that yesterday the Board of Regents met with the Board of Education and the Governor. A motion was passed in that meeting

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establishing a planning committee to look at common issues and concerns of both the Board of Public Education and the Board of Regents. Chairman Lind appointed Regent Redlin to serve on that committee with the designees from the Board of Public Education, the Governor's liaison and the Office of Public Instruction to identify issues and schedule the agenda for the next Board of Education meeting.

Item 27-009-R0680, Transfer of Credits; Montana University System and Community Colleges (REVISED). Don Habbe, Acting Deputy Commissioner for Academic Affairs reported this proposal basically clarifies and tightens up language in existing Board policy on transfer of credit. The basic revisions in this item are as follows:

Clarifies that this policy applies to college level courses.

Defines college level courses and makes it clear that remedial or developmental courses are not included.

Broadens acceptance of the previous language regarding those institutions provisionally accredited by the Northwest Association. That is now extended to provisional accreditation from any of the regional accreditation units.

This policy item has been reviewed by the chief academic officers of the System and has broad support from the community colleges and the six units of the system.

Dr. Habbe recommended the revised item be approved.

On Motion of Regent Kaze, the item was approved.

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Curriculum Committee

Submission Agenda

Item 62-204-R0389, Local Government Center, Montana State University was briefly reviewed and received for consideration at the June 1989 meeting. President Tietz, MSU, commented that MSU has received major support from the Kellogg Foundation for a three year project. The center is functioning successfully at the present time. It is designed to give assistance to elected officials in the counties and cities of the state in the general duties and developments that are associated with their respective offices. It has been utilized by over 1,000 people already and has been well received across the state as a resource and reference center. The Center is largely supported by the Kellogg Foundation with a match by MSU.

Commissioner Krause reported there is a bill in the legislature to establish a local government assistance board. The Center would have some affiliation with this board if the bill passes. There is no funding in that bill. The intent is that it would operate on sources such as grants and contracts.

Item 62-205-R0389, Authorization to Establish the Montana State University Center at Helena, Montana State University. Commissioner Krause recommended this item be held over until the July meeting to give the Board the opportunity to discuss role and scope issues at their workshop. The Board needs to discuss how the system can best serve those communities in the state that are not presently being served by campuses.

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After discussion, because of the broad systemwide implications raised, it was agreed action on Item 62-205-R0389 will be deferred until after the June 1989 workshop.

Action Agenda

Chairman Lind noted before moving to the Action Agenda he wished to recognize various concerns which have surfaced regarding the admissions policy and the college preparatory program. To respond to those concerns, Commissioner's staff was instructed to meet with the Curriculum Committee before the May meeting of the Board to propose resolutions. The recommendations of the Curriculum Committee will be placed on the Action Agenda at the May 1989 meeting of the Board.

Item 62-204-R1288, Authorization for Montana State University to Establish a Geographic Information and Analysis Center. Don Habbe, Acting Deputy Commissioner for Academic Affairs explained the Center will have research, instruction and service functions at MSU. The basic focus is in the area of analysis of spatial data bases. There are nine different departments at MSU that have indicated willingness to participate in the proposed center. The proposal from MSU is well developed and well thought out. There is a clear record that MSU has been active in this area. The creation of the center makes good sense for that university. There are no role and scope issues. The Commissioner's office has received no objections. Approval of this item is recommended.

Regent Redlin asked what sort of costs are involved in supporting the center.

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Acting Vice President Malone responded a small cost for underwriting was provided by the Vice President for Research. Other than that the entire cost of the program is covered by grant activity and fees. The program is self supporting. The program will be used heavily by a number of academic departments. The external uses will range from county and municipal governments to private enterprise to individual agricultural organizations. There will be widespread usage on a fee basis.

President Koch stated he believed establishment of the Center was legitimate and appropriate at MSU. However, because there are similar things happening in the school of forestry and the department of geography at UM, he must assume this is not interpreted as an exclusive franchise.

Vice President Toppen expressed Montana Bureau of Mines and Geology's support for the proposal, noting the Bureau has facilities and capabilities that interface well with the proposed facility.

On motion of Regent Kaze, the item was approved.

Capital Construction Committee

Item .62-301-R0389, Agricultural Experiment Station - Transfer of Swine Center and Irrigation System from the State building inventory to the Federal Government. William Lannan reviewed the item, explaining the internal auditor recommended the swine center be transferred to the federal government to insure responsibility for maintenance, upkeep and use. After brief discussion, on motion of Regent Redlin the item was approved.

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Item 62-103-R0389, Construction, Alteration, Repair, Maintenance and Remodeling of Auxiliary Revenue Producing Facilities, University of Montana (ADDITION TO AGENDA). Mr. Lannan explained the item provides installation of smoke detectors for the residence halls and family housing, flooring and window replacement in family housing and the University Center Court sewer extension. He noted this is needed renovation of older facilities, and recommended the item be approved. On motion of Regent McCarthy, the item was approved.

At Regents' request, President Koch commented briefly on the status of the renovation of the UC Center. Selected businesses should be in place in the mall when students return to campus in the fall.

New Business

At Commissioner Krause's request, staff reviewed the status of legislation impacting the System. Mr. Lannan reported on the Long Range Building Program and legislation affecting the Montana Guaranteed Student Loan Program; Sue Romney, Director of Personnel and Labor Relations, reported on pay bills and personnel related legislation; Dave Evenson, Director of Benefits, reported on retirement legislation and legislation affecting benefits. Commissioner Krause reported on the status of payroll/accountability issues, the two-mill levy bill, and the tuition prepayment legislation. Deputy Commissioner Noble presented an update on the status of the budget. LeRoy Schramm, Chief Counsel, reported on the Veteran's fee waiver and other legislation.

Commissioner Krause concluded the report

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noting a large number of bills have been followed and testimony presented by staff. He believed the previous reports highlighted the legislative activities, and staff would be pleased to respond to questions.

Chairman Lind, on behalf of the Board, thanked the staff who have been working extraordinary hours in the System's interest during the legislative session. It is appreciated, and the Board wishes staff to know that it is.

Commissioner's Report

Bill Lannan explained Regents' policy authorizes the Montana Guaranteed Student Loan Program to commit a certain maximum amount to guarantee student loans. That cap is presently \$200 million. Mr. Lannan requested that amount be increased at this time to \$275 million. He asked also that the present cap on Plus SLS's of \$15 million be increased to \$25 million. Regents concurred with the requests and authorized the increases.

Information Report on Northern Montana College - Great Falls Vocational Technical Center Planning

Commissioner Krause opened the discussion with a review of actions that led to the proposal. An earlier motion of the Board encourage units of the University System and the Vocational-Technical Centers to examine ways to establish affiliations which would be advantageous academically and financially. Committees have been established to study these issues. The RFP put forward by Malmstrom Air Force Base asked for bids to provide educational services to Air Force personnel, and the Great Falls Vocational-Technical Center and Northern Montana

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College were two of the successful components that Malmstrom will work with in the future, in addition to two outside colleges who will provide specific programs.

Dr. Krause commented briefly on concerns by some citizens in Great Falls about the presence, or lack of presence, of the University System in the Great Falls Community.

Dr. Krause referenced a letter sent by President Merwin to the Regents and other interested parties explaining what has occurred in the two units' collaboration thus far. The planning that occurred is consistent with the Board's December motion. There are some concerns, however, on the part of the Commissioner's office and other units of that System regarding maintenance of academic integrity, adequacy of resources, and whether it is the intent of the Board to move in this direction.

Deputy Commissioner Vardemann underlined the importance of apprising the Board of planning activities occurring among units of the System and the Centers, and to disseminate widely any such planning activities. The proposal speaks to a spring 1989 initiation time. Ms. Vardemann stated her personal opinion is that is too early. Enough time is not provided for adequate review.

Dr. Habbe concurred with Ms. Vardemann's statements. Without addressing the merits of the proposal, he stated he believed spring implementation of the proposal would be a mistake on procedural grounds. Previous implementation of additional academic programs, or extension of academic programs

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from existing locations to a distant location, have proceeded through two well established policy items. Regents' policy requires a rigorous, time-consuming process for initiating new academic programs. Dr. Habbe believed it would be wise for the Board to adhere to those policies in this instance. The NMC proposal initiates a currently authorized program in a new location -- Great Falls -- through a cooperative arrangement between a University System unit and a vo-tech unit. The end result may be desirable and something the Board wishes to approve, but Dr. Habbe recommended the Board adhere to its basic established procedures to making that kind of decision.

President Merwin, Northern Montana College, explained what is being proposed is an affiliation with the Great Falls Vo-Tech Center in two associate of science degree programs, business and computer tech. NMC felt this was exactly what the Board directed the units of the System to do. President Merwin referenced the affiliation governance model adopted by the Board as the vo-techs move into the System. An obstacle has arisen with further affiliation. The only meaningful affiliation that can occur is some kind of delivery of instructional services. This proposal would provide the Board an opportunity to respond to the legislature that the System is working on an affiliation model, and from this learn where the problems might occur in such affiliations.

President Merwin stated his disagreement with the two Deputy Commissioner's that delay will make this a better program. Staff will speak

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specifically to that, and to role and scope authority. Center designation was not requested because there is already a Center in Great Falls, and it was designed as a mechanism to deliver resident credit hours off campus. NMC already works closely with Great Falls, and does not consider it a remote location. The planning to date proposes an associate degree program jointly taught by qualified faculty at the vo-tech center and faculty that would move back and forth from the NMC campus. He explained also how the Malmstrom proposal ties into this proposal, and effects economies. He urged the Board approve the proposal as presented.

Will Weaver, Director of the Great Falls Vocational-Technical Center supported the comments and recommendation of President Merwin. Speaking to the integrity of the proposal, and concerns as to whether the vo-tech center has the resources to deliver the classes and courses, he believed vo-tech staff has demonstrated ability in all the required areas and has the credentials needed. The vo-tech center has the quality of instruction and quality of facilities needed to provide this program, and there is demonstrated need for these types of offerings in the Great Falls community.

Funding was discussed. President Merwin explained NMC would provide the start-up resources. He did ask permission to eschew development of the formal format of establishing a center in the belief that is not the intent of the Board in its action on December 16 which indicated the Commissioner of Higher Education could approve these types of activities.

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Regent Kaze, Chairman of the Vocational-Technical Committee of the Board, stated he believed a decision was made in December not to immediately cause the merger of a unit and a center for a variety of reasons which were adequately discussed. There was a sincere attempt to create an atmosphere in which relationships could be fostered and developed in a relatively short period of time. Regent Kaze noted he could not recall discussion on creation of educational centers, and he preferred not to speak to whether that is or is not necessary. He stated he was more comfortable dealing with the issue on an experimental basis. Speaking from a personal viewpoint, Regent Kaze stated he believed this proposal was the kind of proposal he envisioned would occur. He would be personally comfortable moving forward with this proposal in Fall 1989 on an experimental basis with all the necessary kinds of reporting in place that all concerned believe are necessary to assure academic quality.

Chairman Lind called for comments from other Board members. Regent Hurwitz concurred with Regent Kaze's remarks, stating he also believed this was the direction units and centers were encouraged to take. Regent McCarthy also concurred.

Regent Redlin asked if this proposal makes the center a better center, or does it add access to four year courses in the Great Falls area using the center as an avenue? President Merwin responded these are two-year degree programs, and speak to legislative concerns and legislation on providing access to such programs, and to place bound students in Great Falls.

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The primary thrust, however, is not to provide access to Great Falls residents, but responds to a directive from the Board to begin these types of affiliations. No four-year degree program is suggested at this time, though it could not be denied this could occur down the road.

Vice President Jerry Brown, NMC, spoke to the care taken to assure that the course work maintains the integrity of the mission of the Great Falls Vo-Tech Center as well as provide the associate degree program.

Deputy Commissioner Vardemann noted she had spent most of her adult life involved in postsecondary vocational-technical education at the campus level. This is a very historic time for postsecondary vocational-technical education in Montana. Her concern, and the reason for her previous comments and recommendation, are simply that this be accomplished very carefully and thoughtfully. She had made those concerns known to President Merwin. More study needs to be done on the assessment of need; there must be assurance in the written information disseminated on faculty qualification and a number of other items that as of this date are incomplete. Speaking to the quality of educational offerings at the Great Falls Vo-Tech Center, Ms. Vardemann stated she believed that to be exceptional and strong, and that it will continue to grow in strength. She strongly supported this kind of coming together, and had no intention of being viewed as an obstacle to this type of proposal. However, if this, the first of these types of affiliations, is not carefully prepared, all other such affiliations that come after this will be at risk.

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Regent McCarthy questioned whether the Commissioner's office and staff had had input into the report. Ms. Vardemann responded it had been discussed, but was not ready for a spring implementation. She believed the proposal is the kind of discussion and planning that is in keeping with the December 16 mandate of the Board. She was not comfortable with the Board stating this proposal should go forward exactly as it is even in the fall of 1989. She preferred it be brought back to the Board at perhaps the June meeting, and formal action be deferred until that time.

Regent Kaze spoke to the importance of these types of efforts being cooperative efforts, with the Commissioner's office being the pivotal point for information gathering and solidification of the kinds of things the Board wished accomplished under the December action. There should not be end runs by the Commissioner's office, a campus, or a vo-tech center. He endorsed additional review of this or any proposal to assure the offering is the best possible program. Conversely, the Board should be able at this meeting to state it approves of the concept before it, and it should move forward in an appropriate manner, or it should state the proposal is not acceptable, and something different should be presented. That is the policy decision this Board should make, but by consensus at this point, not by motion.

Commissioner Krause concurred with Regent Kaze's summary, noting he believed what Dr. Habbe and Ms. Vardemann are saying is there has to be a process for these types of proposals that allows for

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discussion of concerns from other institutions, addresses academic integrity, identifies resources, etc.

Chairman Lind suggested the Board proceed in the following manner. First, he complimented NMC and the Great Falls Vo-Tech for bringing forward a proposal as the Board requested. The Board wants affiliation agreements and consolidation of programs where they can be accomplished. Speaking to timing, Chairman Lind stated Fall would be an appropriate time for implementation of a new program. This proposal should be reviewed by the Commissioner's staff, and brought back to the Board. Because of the nature of the proposal, Chairman Lind requested the Chairpersons of the Vocational-Technical Committee, the By-Laws and Policy Committee, and the Curriculum Committee work in concert with the Commissioner's office to make recommendations to the full Board on implementation of this proposal. Action could probably be taken at the June 1989 meeting, but no later than the August 1989 meeting so the program can be offered by Fall 1989.

Comments by Representative Bob Ream

Representative Ream distributed and reviewed copies of the proposed state pay plan matrix before the 51st Legislative Assembly. Referring to pages 8 and 9, he explained those pages show the dollar increment in the state pay plan as agreed upon among the unions and the Department of Administration. It is assumed University System classified employees will be included in the state pay plan, but that has not been resolved since they were not involved in the negotiations. Representative Ream pledged his support to see those employees are included.

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Representative Ream discussed briefly the controversy that has developed over the faculty salary increases pledged by the Regents, and reviewed options as to how that might be addressed in the legislature.

Commissioner Krause expressed his and the Board's support for the position that all System employees will be included in the pay plan, as they have historically been in the past. Every effort will be made to see that that occurs. Commissioner Krause thanked Representative Ream for his comments and support.

Regents' Workshop

Commissioner Krause stated the principal topic for the June workshop will be discussion of role and scope. There has also been interest expressed in having an outside entity conduct a discussion on the role of the Board and how that role is best served. He asked the Board's direction on the agenda.

Regent Kaze stated his support for some portion of the workshop being devoted to discussion of trustee responsibility of the Board, and preferably that portion be conducted by an outside consultant. Cost of the consultant services were discussed.

After discussion, Chairman Lind directed the Commissioner explore a format for the workshop that would include a half day session conducted by an outside consultant, then address role and scope issues of the units including concerns on how all postsecondary education should mesh; then discuss the administrative pay matrix. This would probably require a two and one-half day workshop, to be scheduled tentatively on June 11, 12, and 13. Role

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and scope discussions for the vocational-technical centers will be scheduled in a separate section, probably the afternoon of one of the workshop days. A location will be determined and notices sent as soon as the dates and location are firm.

Council of Presidents

Vice President David Toppen reported on the first Southwestern Regional Science and Engineering Fair hosted by Montana Tech. It was a cooperative venture among Montana Tech, the University of Montana and the Office of Public Instruction. It was a great success, and a fine example of cooperation among state agencies and two units of the System.

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

Montana Associated Students

Ellen Baeth, president of the MAS, asked for a response she might give to parents and students who asked her what tuition costs might be in the future, if the 14% tuition increase approved at this meeting is viewed as a trend. Chairman Lind responded rising educational costs create a difficult situation and one not easily forecast. Speaking on behalf of the Commissioner, his staff, and the Board, Chairman Lind stated every effort will continue to be made to control those increases. It is a state obligation to provide educational opportunities for its citizens; it is also a student responsibility to fund a portion of that education. A suitable response might be that students will have to continue to fund educational costs of the future at the peer average. The college

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savings bond program should be explored by parents concerned with future costs. The projected costs are astronomical. What has traditionally occurred is the Regents have tried to hold the line for a period, then a tuition increase has to occur. Looking at the national average, tuition averages are rising at about 7% per year. It seems unavoidable that tuitions will continue to increase patterned on what the peers are paying. Regent Redlin added that historically students have not been asked to pay more than 25% of their educational costs, and it is hoped this will continue to be true.

Ms. Baeth also reported on legislation impacting student government organizations. As a result of that legislation, students will be coming to the Board in the future to request a modification of Board policy on purchasing procedures.

Student lobby day has been changed from March 3 to March 31, due to inclement weather on the original date. The format for that legislative effort was explained. Regent participation was encouraged.

MAS representative Bob Kelly, WMC, has resigned to pursue his student teaching. He is replaced by Casey Smith.

Jennifer Isern reported her term as President of ASUM is expiring. She expressed her appreciation to the Board for the opportunity of working with them, and introduced the President Elect of ASUM. All are hopeful the good relationship among students and the Board will continue to develop.

Chairman Lind expressed the Board's appreciation to all students and student government

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officers for the assistance they have given and the quality of the lobbying effort they have sustained during the legislative session.

Regular Agenda

Item 62-100-R0389,	<u>Staff; University of Montana</u>
Item 62-102-R0389,	<u>Resolution Concerning the</u>
	<u>Retirement of Donald L. Waters,</u>
	<u>Associate Professor of Art;</u>
	<u>Western Montana College of the</u>
	<u>University of Montana</u>
Item 62-200-R0389,	<u>Staff; Montana State University</u>
Item 62-201-R0389,	<u>Post-Retirement Contract; Joseph</u>
	<u>H. Bourque; Montana State</u>
	<u>University</u>
Item 62-202-R0389,	<u>Retirement of Jack E. Catlin;</u>
	<u>Montana State University</u>
Item 62-203-R0389,	<u>Retirement of Gerald D. Sullivan;</u>
	<u>Montana State University</u>
Item 62-300-R0389,	<u>Staff; Agricultural Experiment</u>
	<u>Station</u>
Item 62-400-R0389,	<u>Staff; Cooperative Extension</u>
	<u>Service</u>
Item 62-500-R0389,	<u>Staff; Montana College of Mineral</u>
	<u>Science and Technology</u>
Item 62-700-R0389,	<u>Staff; Eastern Montana College</u>
Item 62-800-R0389,	<u>Staff; Northern Montana College</u>
Item 62-902-R0389,	<u>Staff; Office of Commissioner of</u>
	<u>Higher Education (ADDITION TO</u>
	<u>AGENDA)</u>

The meeting adjourned at 11:40 a.m. The Regents reconvened immediately in executive session.

The next regularly scheduled meeting of the Board of Regents will be held on May 4 and 5, 1989, in Billings, Montana.