

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

DATE: December 13-14, 1990

LOCATION: Room 125 A
Helena Vocational-Technical Center
115 North Roberts
Helena, Montana

REGENTS Mathers, Redlin, Schwanke, Topel, Kaze,
PRESENT: Musgrove, Johnson

REGENTS Commissioner of Higher Education John M. Hutchinson
ABSENT:

PRESIDENTS Dennison, Norman, Tietz, Daehling
PRESENT: Provost Easton
Vice President Sexton for President Carpenter, EMC

PRESIDENTS Carpenter
ABSENT:

Minutes of Thursday, December 13, 1990

Chairman Mathers called the meeting to order at 9:00 a.m. He explained Commissioner Hutchinson was taken ill in Billings, and would not attend the meeting today. He has been encouraged not to attend tomorrow though he will be back in Helena.

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

Consent Agenda

Chairman Mathers explained the Consent Agenda was developed at the suggestion of several of the Regents. At the

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Chairman's request, Deputy Commissioner Toppen explained the Consent Agenda is an experiment, and consists of components gleaned from the action and submission items of each of the committees using the criteria that these items are more or less formalities in the judgment of Regents and staff. It is hoped the process can be streamlined by acting on these items by consent at the beginning of each meeting. If any Regent determines there is an item on the Consent Agenda which might require further discussion, it will be so indicated and the item will be moved into the appropriate committee for discussion. The goal is not to gloss over any item in any way, but to provide more time for discussion to the more pressing issues.

The Chairman asked if any items should be moved to committee. Regent Redlin requested that Item 70-202-R1290, Authorization to grant a right-of-way easement to the Project Telephone Company of Scobey, Montana for a fiber optic telephone line in Yellowstone County, Montana; Montana State University be moved to the Administrative Committee for discussion.

Hearing no further requests, Regent Musgrove moved the following items listed on the Consent Agenda be approved:

A. Budget Committee Consent Agenda:

1. Item 70-3001-R1290, Authorization to Establish a Yellowstone County Depository; Flathead Valley Community College

B. Administrative Committee Consent Agenda:

1. Item 18-003-R1077, Admission Requirements; In-State Undergraduates; Montana University System (REVISED)
2. Item 70-202-R1290, Authorization to Implement an Asbestos Abatement Project in Hedges Dormitory and Food Service Complex; Montana State University

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3. Item 70-703-R1290, Authorization for Translator Site to Serve Residents of Buffalo, Wyoming; Eastern Montana College

C. Other Consent Agenda Items:

1. Confirmation of Gubernatorial Appointment to Local Executive Board:
Mr. Robert D. Morrison
Northern Montana College Local Executive Board
2. Regular Staff Item Agenda:
Item 70-100-R1290, Staff; University of Montana (Includes One Post-Retirement Contract)
Item 70-200-R1290, Staff; Montana State University
Item 70-201-R1290, Resolution on the Retirement of Dr. John Jutila, Vice President for Research and Professor of Microbiology; Montana State University
Item 70-300-R1290, Staff; Agricultural Experiment Station
Item 70-400-R1290, Staff; Cooperative Extension Service
Item 70-500-R1290, Staff; Montana College of Mineral Science and Technology
Item 70-700-R1290, Staff; Eastern Montana College (With Addendum)
Item 70-800-R1290, Staff; Northern Montana College
Item 70-900-R1290, Staff; Office of Commissioner of Higher Education (With Addendum)
Item 70-7500-R1290, Staff; Billings Vocational-Technical Center
Item 70-8000-R1290, Staff; Butte Vocational-Technical Center

APPEALS

Chief Counsel Schramm presented the appeals on the agenda. Dr. Schramm explained all of the following appeals are before the Board for its initial determination. Under its appeal policy the Board may: (1) Refuse to hear the appeal thereby confirming the decision of the Commissioner. (2) Schedule the matter for a full appeal hearing from the parties

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at the next Board meeting. (3) Reverse the Commissioner and grant the appeal on the basis of the summary materials presented.

Student Residency Appeals:

Casey Lipok

Chief Counsel Schramm responded to Regents questions regarding Mr. Lipok's assertion that the purchase of a residence (mobile home) was an act substantial enough to require waiver of the car registration and drivers license requirements. He explained no one factor is determinative. Purchasing a home usually is a very heavy factor because of the amount of money involved in such a purchase. In this instance, however, the residence purchased was for a nominal sum requiring 36 monthly payments of \$126.36, and in this instance was not viewed as a commitment sufficient to outweigh the contrary indicators. The key for residency is does the action show an intent to stay in the state indefinitely, and in this instance, in the judgment of those making the decision, this purchase was not viewed as a persuasive indicator of that intent.

Responding to Regents' questions, Dr. Schramm explained these judgments are made on a case by case basis at every level. Most campuses have set up appeals procedures; MSU's is the most elaborate. Approximately 50 to 75 appeals of campus decisions are made to the Commissioner's office, with perhaps 10% to 15% of campus decisions being overturned. The rather subjective approach that is now Board policy in residency determinations does require case by case determinations as opposed to the rigid set of criteria allowing no deviation that was Regents' policy prior to establishment of present policy. Montana's policy is lenient compared to that of many other states. In many states if a student registers as an out-of-state student as a freshman, he/she remains so classified until graduation. Montana's policy is on the side of generosity.

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Regent Kaze stated that based on his review of the facts as presented, he moved the appeal not be heard thereby confirming the decision of the Commissioner. The motion carried.

Ronald Hauck

The material supplied in this appeal shows Mr. Hauck is a former Montanan who lived and worked outside the state for a decade. He seeks waiver of the residency policy because the state Rehabilitation Division will only pay for in-state tuition. Mr. Hauck applied for both a fee waiver and need-based financial aid at EMC and was turned down because he had assets sufficient to finance his own education under the student aid guidelines. Based on these facts, it is asserted Mr. Hauck clearly is not eligible for residency status.

Regent Kaze moved the appeal not be heard thereby confirming the decision of the Commissioner. The motion carried.

Stephen Murray

This appeal was denied on the basis that Mr. Murray did not change his drivers license to Montana until September, 1990, although he registered to vote in October 1988 and registered his car in November 1988. While this policy in some instances seems harsh, it has been applied consistently by the University.

Regent Topel noted for the record that if all other requirements are met, he did not believe failure to obtain a Montana drivers license before expiration of the drivers license currently held was sufficient grounds to deny residency, even though there is a statutory requirement to do so. He moved the Commissioner's decision be overturned.

President Dennison noted the drivers license was an issue, but also at issue was the fact that the majority of financial support came from out of state. Dr. Schramm noted the decision was based on a number of factors; Mr. Murray had

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not met all but the one requirement. The question was called on Regent Topel's motion to overturn the Commissioner's decision. Regent Topel voted yes; all other Regents voted no. The Commissioner's decision was upheld and no further hearing will be held on the appeal.

Employee Appeal of Dr. Philip Gray

Dr. Schramm referenced the materials distributed to the Regents with the agenda material which adequately outline the issue. Those were the Commissioner's Decision, and Dr. Gray's appeal to the Regents. The appeal was denied under Board of Regents Policy 203.5.2. which states a party adversely affected by a final campus decision may appeal to the Commissioner of Higher Education within thirty days. Dr. Gray's appeal was received in the Commissioner's Office on October 12, 1990, some four months after Vice President Malone and Dean Williams' decision of June 8, 1990, and was not timely.

Regent Kaze moved the appeal be denied on the grounds stated.

President Tietz noted that this appeal is one of several actions presently maintained by Mr. Gray against Montana State University.

The question was called on Regent Kaze's motion to deny the appeal. The motion carried.

Dr. Schramm then requested indication from the Board on whether it would like to continue to receive residency appeals under the present procedure. The Board indicated it desired to do so.

STAFF REPORT ON REGENTS' BUDGET REQUEST

Chairman Mathers stated for the record that this presentation is in no way to be construed as criticism of the Governor's budget. The review is a response to the Regents' request that the recommendations made by the Education Commission of the Nineties and Beyond be addressed. These were presented by that Commission as needs of the University System,

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and Regents believe it is an obligation to present to the public and the Legislature what the Board feels is necessary to operate the University System at a level that guarantees a quality education to the students in the state of Montana. The Board of Regents appreciates the Governor's strong support of the University System in his budget presentation. He has probably recommended more additional funds be given to the University System in the coming biennium than he recommended for any other branch of state government. That is appreciated, as is his recommendation that new buildings be constructed within the University System. The Regents will continue to work with the Governor and his Budget Office. The budget to be discussed is the budget the Regents will present to the Legislature in the absolute belief that it provides the funds necessary to support the University System.

Regent Topel noted for the record that a change in format would occur. The agenda states staff will review the budget before the full Board, followed by discussion in the Budget Committee. Regent Topel stated the discussion will follow the staff presentation and will be participated in by the full Board.

Deputy Commissioner Jack Noble presented the Regents' budget request to the 52nd Legislature. He noted there are three components to the request for higher education and those will be discussed separately.

1993 Biennium Budget Request - Community Colleges

The Regent request is based on a 4% inflation factor each year applied on a per student basis. The Board also adopted the Education Commission of the Nineties recommendation restoring the 65/35% state to local funding ratio that existed a decade ago. Mr. Noble distributed and reviewed the budget document (on file). The recommendation calls for a total increase of \$1.5 million or 11.3% for the three community colleges over the next biennium. Enrollment estimates were calculated using the same methodology as the University System

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employs. The document also listed the assumptions used to portray the funding portion of the community college budgets.

Brief discussion was held on the effect the reduction in percentage of funding provided by local sources might have on the I105 limitation shortfall and the mandatory levy which affects local property taxes.

1993 Biennium Budget Request - Vocational-Technical Centers

Mr. Noble reviewed the vo-tech center budget request document (on file). He explained this request is comprised of five elements and provides a total increase of 5.43% over the next biennium. Because of changing guidelines on Carl Perkins federal funds, the general fund will have to increase by 23% or the centers will face severe cutbacks. This is a non-formula recommendation which has been discussed with the Board. Conceptually a formula approach is preferred for the Centers. The concern has been that there are too many unresolved discrepancies resulting from the change in governance structure that should be addressed before a formula can be put in place for the Centers.

The four major concerns highlighted in the request were reviewed by Mr. Noble. These are: (1) modify the appropriation for Carl Perkins funds and substitute general fund; (2) vo-tech faculty salary equity pool; (3) vo-tech capital equipment pool; and (4) provide 4% increase per year on physical plant program. In addition, the base budgets are adjusted for increased legislative audit costs and tort claims division's premium costs. Mr. Noble noted in summary that while the total budget for the five Centers increases by 5% the first year of the biennium, and stays nearly constant the second year, it takes a substantial increase in general fund monies to accomplish. The bottom line for the Centers in this request is "status quo"; to accomplish this the appropriated Perkins monies must be backfilled with general fund dollars.

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In response to Regents' questions, Mr. Noble noted both the Governor's Budget Office and the Legislative Fiscal Analyst have recommended continued appropriation of the Carl Perkins monies as current unrestricted funds in the operating budgets. Mary Ann Wellbank of the Governor's Budget Office noted the Governor is aware of the audit report regarding appropriation of Carl Perkins funds, but at this point has made no change in recommendation in the appropriation process.

Chairman Mathers stated he and Commissioner Hutchinson will meet next week with the Governor and his Budget Director to work toward unity in the budget process. Mr. Noble noted also the Governor's budget was put together under very tight budget constraints. Certainly in terms of general fund increase for all of higher education the Governor's budget has slightly more than \$20 million in new general fund. This is a dramatic increase from the budget proposed by the Governor at the beginning of the budget process for the 1991 biennium.

1993 Biennium Budget Request for Higher Education

Mr. Noble reviewed the University System biennium budget request (on file), elaborating on each of the five assumptions on which the budget is based. Those are (1) enrollment adjustments; (2) Inflation at 4% applied to the FY 91 general fund base; (3) peer catch-up phased in over five years as per Commission of the Nineties report; (4) specific modified requests; and (5) Regent discretionary fund of \$1.5 million in FY 92 and \$2.0 million in FY 93. The formula budget request for the six campuses increases from the current year's appropriation of \$127.7 million to \$143.5 in FY 92 for a \$12.4% increase the first year. The formula budget increases to \$149.9 million in FY 93, or a 4.5% increase over the FY 92 base.

Mr. Noble reviewed the peer institution survey data contained in the document on which the 1993 formula request is based, and the formula funding summary on page 4 which shows how the formula allocates the funds to individual campuses. In

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review of the FY 92 Component Summary, Mr. Noble noted this is a suggested allocation model of a lump sum appropriation.

Mr. Noble explained the Campus Modified Requests beginning on page 4 are those requests that fall outside of the formula for funding. These were heard and approved by the Regents last September for submission to the Executive. He noted many of the requests were absorbed by up-grading the formula. System modified requests include requests for funds to meet the federally mandated minimum wage; the RERS recommendation; MUSENET; EPSCOR; federal matching requirements, and others.

The Summary Total - Higher Education on page 8 shows the 1991-92 total budget increases 10%, and the 1992-93 request increases 4%. To accomplish this takes an 18% increase in general fund revenues the first year of the biennium, followed by a 6% increase the second year. Contributing to this is the drop-back in six mill levy revenues, tuition revenue, removal of the Educational Trust Fund interest, and loss of indirect cost monies. The Governor's budget recommendation provides \$4.3 million of additional general fund to make up for these revenue fall-backs.

In response to Regents' requests, Mr. Noble distributed and reviewed copies of the Executive budget recommendation for the six units of the University System which included a comparison sheet by program showing the recommended increases for the 1993 biennium recommended by the Governor. Mr. Noble cautioned this document contains an \$8 million discretionary amount. Assumptions would have to be made on how the Regents would utilize those funds to provide an accurate comparison of the differences between the Governor's budget recommendation and the Regents' request. Mr. Noble discussed the language in the Executive budget recommendation which does recommend a single lump sum appropriation to the Board of Regents for the six units, with parameters set for distribution

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and reporting requirements. While there is no dispute on this recommendation, Mr. Noble reviewed recommendations in the Executive budget which might cause concern such as appropriation of monies pledged for bond indenture, only partial funding of the pay plan, and others.

Mr. Noble provided a recap of the Governor's summary of major construction projects. The Executive recommendation that 15% of costs be raised from private funds deserves further scrutiny for possible conflict with existing Board policy.

Discussion was held on lack of recommendation to address the enormous problem of deferred maintenance. A bonding program to provide funds for deferred maintenance has been discussed, and is worthy of serious exploration. Deferred maintenance is of the highest priority in the Regents' budget request.

Concern was expressed by the presidents that while the Executive recommendation is overall extremely positive, certain units would in fact receive less money in the next biennium than they received in the last, in addition to having to fund a large portion of the pay plan. These matters need discussion with the Governor.

Mr. Noble responded to Regent Schwanke's earlier request that a comparison be made between the Executive budget recommendation and the Regents' request which includes the proposed allocation of the recommended unallocated \$8 million amount. That should be done prior to discussion with the Governor because it will change the allocation picture described by President Norman. An agreed-upon allocation model would also protect the \$8 million from "raid" in the final days of the legislative session.

Director Alex Capdeville questioned if the vo-tech centers would be included in the pay plan and was assured that was correct.

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Hearing no further discussion, Chairman Mathers stated that due to the Commissioner's unexpected absence certain items on the agenda of particular interest to the Commissioner will be postponed and a special call meeting held in early January to handle those matters. Items on tomorrow's agenda will be moved where possible without inconveniencing those people who are traveling to Helena to make presentations.

The Board recessed to hold concurrent committee meetings of the Budget, Academic Affairs, and Administrative Committees.

COMMITTEE REPORTS

The Board reconvened at 1:15 p.m. to receive reports of Committee action and recommendations.

Appointment of Deputy Commissioner for Academic Affairs

Chairman Mathers announced that David L. Toppen has been appointed Deputy Commissioner for Academic Affairs for the Montana University System, a position he has been filling in an Acting Capacity. The appointment is effective immediately.

Budget Committee Report

Submission Agenda:

Regent Topel, Chairman of the Budget Committee, reported that Item 18-005-R1077, Fee Waivers; Montana University System (Revised) is received for consideration at the January 1991 meeting. The revisions were made on the recommendation of the Legislative Auditor and will bring the policy into compliance with state statute.

Action Agenda

Regent Topel noted for the record that Item 70-701-R1290, Authorization to Expend Computer Fee Funds, Fiscal Year 1989; Eastern Montana College, and Item 70-702-R1290, Authorization to Expend Computer Fee Funds, Fiscal Year 1990; Eastern Montana College listed on the Action Agenda require no Board action, and were received as reports. Board policy requires such informational reports be filed with

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the Office of the Commissioner of Higher Education regarding expenditure of student computer fees.

Montana University System Budget Amendments; 1991 Biennium

Regent Topel reported that during the period of time the Legislature is in session the Regents' approving authority for budget amendments is superseded by the Legislature. Therefore, the budget amendments set out on the memorandum to Rod Sundsted from Jack Noble, dated December 10, 1990, (on file) need approval by the Regents for submission as part of the budget amendment bill. The budget amendments generally authorize the units named to expend tuition and fee revenues received as a result of increased enrollments. Exceptions are expenditure of insurance premiums by the Group Insurance Account, and donations to the Commission of the 90's.

Regent Topel also explained the reversion of FY 89 tuition/fee revenue to the state general fund from the Great Falls Vocational-Technical Center. During the period of time the GFVTC was without a fiscal officer no budget amendment was prepared for this amount and the reversion occurred through oversight. The Center is asking to be allowed to recover the \$42,906.00 in tuition and fees which reverted through omission.

Deputy Commissioner Noble responded to Regents' questions on how the funds will be expended at each of the units. Brief discussion was also held on fee waivers. It was pointed out that Native American fee waivers comprise 14.9% of the System's fee waivers, amounting to slightly over one-half million dollars. This represents a group of persons not adequately covered, or not covered at all, by tribal or BIA scholarships. These mandatory waivers are not need-based.

On motion of Regent Topel, the budget amendments were approved.

Negative Fund Balances

Regent Topel reported the Budget Committee received a report concerning negative fund balances in the System which

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included actions either taken or that will be taken to eliminate those balances by the University System (on file). Most of the negative fund balances will be eliminated by June 30, 1991. Overall, the report indicates substantial progress in this matter. MSU will bring forward at the next meeting a request for a one-year extension on three accounts, the television center/KUSM; IDC funded research; and Men's Athletics. NMC will request a similar extension on the negative fund balance in the Great Falls campus account. With the exception of those four accounts, all other negative fund accounts (approximately 1,000) in the System will be in compliance by the June 30, 1991 deadline.

President Tietz noted there is a retirement plan in place and being effected on the three accounts that MSU will request an extension. As an example, he explained that last year the KUSM account was approximately \$200,000 in arrears. By virtue of last year's management program that has been reduced to just over \$100,000. Progress is being made. The management policy at MSU has been to hold those agencies responsible in the same fashion the Regents are holding the institution responsible.

In response to Regents' questions, Mr. Noble explained the System's focus on correction of negative fund balances, rather on the negative cash balances raised as an issue by the Legislative Auditor. This is done in the belief that negative fund balance is a better indicator of an account's solvency because it takes into consideration all the accounts and assets within an accounting entity. This effort is one of the Board of Regents, not necessarily directed by the Legislature.

No action was requested on the negative fund balance report.

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Motion to approve the Regents 1991 Biennium Operating Budget Request

It was noted a motion was in order approving the 1991 Biennium Budget Request as presented earlier in the meeting. Regent Johnson so moved.

In discussion of the motion, Regent Topel stated his understanding is that the Regents' budget request points out what the Board perceives the needs of the System to be. The budget request does not include a request to address the high priority item of deferred maintenance, and he asked if such a figure should be included. Mr. Noble noted that request is included in the Long Range Building Program request. On-campus needs in the area of preventative maintenance could be embellished with an increased funding request for physical plant. The Regents' LRBP and the Executive recommendation will be addressed in depth later in today's meeting by Mr. Lannan.

The question was called on Regent Johnson's motion to approve the Regents 1991 Biennium Operating Budget Request. The motion carried unanimously.

A comparison of the Regents' budget request and the Executive recommendation will be made and distributed to the Regents in early January, 1991.

ACADEMIC AFFAIRS COMMITTEE REPORT

resentation by Douglas B. Kelley: Admissions Policy

Regent Kaze reported Mr. Kelley made a presentation on behalf of a young person who claims he was denied admission to the University System based on his attendance at an unaccredited, church-affiliated independent school. Mr. Kelley also discussed what he perceived to be the problems with the Regents' admission policy in dealing with such students and schools. The Committee recommended Mr. Kelley take this issue up with Montana State University to determine if there is anything within the campus environment and existing policy to solve the one problem. The Committee also recommends staff

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review the options in existing policy that may affect this particular problem, and explore and bring to the Board other options or recommended changes in policy. That report is anticipated to be brought forward at the March 1991 meeting.

Regent Kaze reported the following two items on the Submission Agenda were received for consideration at the March 1991 meeting. Campuses are urged to make comments in a timely fashion if they wish to make comments on the proposals.

1. Item 70-2001-R1290, Approval of Proposed Associate of Science Degree in Parts Specialist Technology; Dawson Community College
2. Item 70-9501-R1290, Approval to convert a two-year certificate in Accounting to an Associate of Applied Science Degree in Accounting; Missoula Vocational-Technical Center

Regent Kaze reported that pursuant to the Notice of Intent Procedure Deputy Commissioner Toppen had received a "less than Level I" request from Northern Montana College, and has acted on that request. The request was to make a nominal name change in an option within a master's program at NMC. The option has been changed from Career Guidance and Counseling to Counseling and Development. This is an example of the kind of requested change the Academic Affairs Committee believes can and should be handled through the Commissioner's office working with the Academic Affairs officers.

Report on Dental Hygiene Consultation

Deputy Commissioner Vardemann reported to the Committee that the services of a national consultant have been engaged to provide advice to the Vocational-Technical System on the establishment of a dental hygiene program to fill the void created by closure of that offering by Carroll College in Helena. Three proposals to provide the offering were brought forward. A study was deemed advisable before action is taken on those proposals. The consultant's report and recommendations are anticipated to be available in early January 1991.

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Joint Meeting - Administrative Committee and Academic Affairs Committee

Discussion of Tenure for Administrators

Regent Kaze reported the joint committee received a report from Chief Counsel LeRoy Schramm. The report was presented primarily to clarify for the Regents what is contained in existing policy and suggest possible options for future change if that is the direction the Board chooses to go. The issue before the Board and options to present policy are contained in Dr. Schramm's memorandum to the Board dated December 13, 1990 (on file).

Regent Kaze explained that any further exploration on this topic will be deferred due to the absence of Commissioner Hutchinson, who very much wishes to be present when this discussion is held. In addition, Dr. Schramm and Deputy Commissioner Toppen will utilize this time to gain additional information on how this issue is handled in other states, and will provide a report to the Board at the January 30, 1991 meeting.

ADMINISTRATIVE COMMITTEE REPORT

Regent Redlin briefly reported on the following two policy submission items which were received for action at the January 30, 1991 meeting.

Item 69-002-R0990, Internal Audit Reports; Montana University System

Item 12-004-R0676, Non-Discrimination; Montana University System (REVISED)

The proposed policy on Internal Audit Reports was requested because there is need for guidance on when, where, and how the reports will be made public. There was an attempt to make this policy somewhat similar to that of the Legislative Auditor in dealing with such reports. Details of the proposal are set out on the item and accompanying memorandum (on file).

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The proposed revision on the System's non-discrimination policy is brought forward primarily to reflect present legal standards and to delete a "laundry list" of specific state and federal regulations and statutes that is both redundant and out of date. The policy as rewritten will make MUSP 1005.1 which prohibits access to academic programs for physically disabled individuals redundant, and that policy will be brought forward for repeal.

Policy Action Agenda

Regent Redlin reported that Item 3-008-R1273, Property Management; Montana University System (REVISED) brings Regents' policy more in line with state practice when state property is being disposed of by providing for more detailed public notice of such anticipated action, and also includes the statement that in no case may property be disposed of for less than full market value or its equivalent. The Committee recommends approval. Regent Redlin so moved. The motion carried.

Discussions/Presentations

Changes in Board of Regents Committee Structure

Regent Redlin reported the Committee recommends this discussion be deferred to the special call meeting that will be scheduled in early January. This is another discussion Commissioner Hutchinson is particularly anxious to participate in, and the Committee concurs with his request.

Regent Redlin noted for the record that at her request the Administrative Committee recommends a proviso be added to the discussion paper on Regents Committee Structure to merge the Administrative and Budget Committee, or hold joint meetings. The present two-person committees are believed to be too small in Regent Redlin's view to allow for comprehensive discussion in Committee meetings, and the agenda material of the two committees is inter-related. Commissioner Hutchinson will be asked to consider that proviso in the discussion.

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Addition to Agenda

Item 70-801-R1290, Authorization to Complete Emergency Repairs to Physical Education Facility; Northern Montana College

President Daehling, Northern Montana College, presented the above item (on file) which requests authorization to complete emergency repairs to the roof on the east end of the NMC Physical Education Facility at an estimated cost of less than \$100,000. President Daehling reviewed the history of structural review of the facility, leading to closure of the swimming pool and subsequent discovery of structural problems with the arches in the main gym. The engineers recommend closure of this area immediately if a heavy snow load occurs, and no use of the area after January 1, 1991 until corrective measures are made. There is danger the roof will collapse if repairs are not made. Because of the size of this project, a loan will be made from the NMC Development Foundation and repaid from the Gym Use Fee.

Mr. Bill Byars, NMC, briefly reviewed the options considered in the review including demolition of the facility. The facility is needed, however, to support educational programs at the College.

After brief discussion of any alternative solutions available to the College, on motion of Regent Redlin, the item was approved.

Regent Redlin reported that Item 70-203-R1290, Authorization to grant a right-of-way easement to the Project Telephone Company of Scobey, Montana for a fiber optic telephone line in Yellowstone County, Montana; Montana State University, which was moved from the Consent Agenda at her request was explained to her satisfaction by MSU administration, and is recommended for approval by the Committee.

Regent Kaze noted for the record that moving the item had provided him an opportunity to make some comments on

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the easement. In his view the easement granted is extremely broad and non-definitive. He simply wished to call to the attention of the Board and the MSU administration that it might be wise to more carefully define such easements.

With the above caveat, Regent Redlin moved that Item 70-203-R1290 be approved. The motion carried.

Presentation on Tuition Surcharge:

School of Architecture; Montana State University

Chairman Mathers reported the Administrative Committee heard a presentation on the tuition surcharge on the architecture and interior design program at Montana State University, made by Ms. Kerrie Padgett, a student in the program. Ms. Padgett presented written testimony (on file) listing the reasons the students feel the tuition surcharge should be rescinded. The Committee advised Ms. Padgett that this matter would be considered after the 1991 Legislative Session, and she and other interested students would have opportunity to participate in the review at that time.

Presentation by Community College Presidents

Deputy Commissioner Toppen stated on behalf of the Commissioner that it is the hope of the Commissioner's office that over the coming years a regular pattern will be developed through which the community colleges, tribal colleges, and vocational-technical centers will have an opportunity to present to the Board of Regents and to their colleagues their accomplishments over the preceding year. Each of the community college presidents and appropriate staff are present at today's meeting to participate in the presentations.

Presentation by President Donald Kettner; Dawson Community College; Glendive, Montana

President Kettner distributed packets of information and reviewed the information contained therein on academic programs, facilities, student services, financial aid and other relevant information on the college. He reviewed the fifty

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year history of the college, noting this is Dawson's 50th Anniversary Year, which is being appropriately celebrated during the entire year. Dawson Community Colleges serves a seven county area in Eastern Montana, and now enjoys a relatively stable enrollment of approximately 800 students. The average age of students is 28.1 years. Forty-eight percent of students come from outside the county in which the College is located.

President Kettner briefly reviewed the funding history of the college, noting this is probably the most critical issue the College faces. The decrease in the state's share of support, from 55% to 47% has been particularly troublesome to the local district. The local district presently floats 52 mills to support Dawson Community College. This is rather difficult to rationalize when 48% of students come from outside the district. Tuition and fees account for approximately 12% of the budget. In the last six years, the budget for DCC has increased by only \$59,934. Without federal grants and private donations the College would not have been able to survive. CI 105 has severely hampered the ability to improve this situation. President Kettner urged the Board to continue to press for an increase in the state share of the community college budgets; more dollars per FTE; and inclusion in the state pay plan for the state share.

President Kettner reviewed the programmatic offerings, percent of students graduating, placement ratio, and proposed program development. He thanked the Regents for the opportunity to present the brief overview, and for their continuing support and encouragement of the community colleges. Presentation by President Howard Fryett; Flathead Valley Community College; Kalispell, Montana

Dr. Fryett began with a slide presentation showing the new campus at FVCC. The College opened in 1967, located in various buildings scattered across the downtown area. It's

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goal then as now was to provide quality higher education for northwest Montana residents at an affordable price.

President Fryett summarized the goals established for the College by its Board of Trustees in 1987. These included development and construction of a new campus, which has been done. Another was to sell the old campus, which has been done. Another was to establish the Lincoln County Center, which is successfully operating. Dr. Fryett discussed staffing patterns, FTE growth, upgrading of the curriculum, the on-going self study of the institution which will continue through 1991 culminating in an accreditation visit in April 1992.

Funding is an important issue at FVCC, as it is at all units in the System. He distributed and reviewed documents (on file) stating the College's approach to the Legislature in 1991 to restore adequate, stable funding to the College. Of particular importance is proposed legislation to amend MCA 15-10-402 to add community college districts, Title 20 to those entities now exempt from the limitations of C.I.105. He urged the Board's support for this legislation and asked for comments from the Board and the Commissioner's office on the proposal.

Next Dr. Fryett reviewed the handout (on file) providing a comparison between the Executive budget recommendation and the Regents budget recommendation, and the budget with and without the I 105 limitation. At the Chairman's request, Dr. Fryett also explained the local support allocations between Flathead and Lincoln Counties, and faculty staffing patterns between the two entities.

Presentation by President Judson Flower; Miles Community College; Miles City, Montana

President Flower distributed and reviewed packets of information on Miles Community College, including a listing of major milestones from 1939 through 1990, an annual FTE enrollment summary, and budget history (on file). Speaking to the enrollment summary, President Flower explained the 486

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figure in the left side was the enrollment figure agreed upon when Miles Community College embarked on enrollment funding. Those numbers were applied to the College for the next five years, though the FTE enrollment figures actually funded were arbitrarily reduced as they were at all units by the Legislature. The budget reduction experienced in 1985-87 caused severe cut backs of all off-campus programs, and severe paring was required to continue the on-campus offerings.

President Flower explained the physical plant development at the institution, and the development of areas of focus in academic programs. Problems with staffing the highly successful nursing program were reviewed. President Flower also discussed the urgency expressed by local telephone companies to begin delivery of courses to outlying areas by means of fiber optics, and the 5-year cooperative (with DCC) Title III curriculum development program. In 1990, automation of the library at DCC was completed.

President Flower responded to Regents questions at the conclusion of the presentation.

Chairman Mathers expressed the Board's appreciation to the three community college presidents for the informative presentations, and assured them of the Board's continued support and encouragement for the community college program.

With concurrence, Chairman Mathers announced Agenda item VIII, Guided Discussion of Final Report of the Education Commission of the Nineties and Beyond would be deferred to the special call meeting to be scheduled in early January 1991. Because of the deferments of discussion items, those matters on Friday's agenda that can be moved for action to today's agenda without inconvenience to interested parties will be acted on at this time.

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OLD BUSINESS (Moved from Friday, December 14, 1990 Agenda)

Clarification of Sale of Property; Western Montana College

(Board of Regents Item 68-601-R0790)

701 South Atlantic Street

Dillon, Montana

Chief Counsel Schramm reported this item is presented to seek Regent clarification on the approved sale of the property known as 701 South Atlantic Street in Dillon, Montana. In the original item authorizing the sale 701 South Atlantic was described as consisting of Lots 19 and 20. It has now been ascertained that the property consists of Lots 19 and 20, and sixteen feet of Lot 18. Dr. Schramm stated it was clearly the intent of Western Montana College and the Board of Regents to provide clear title to the property. However, because the people who purchased the property are facing zoning disputes it is important to reconfirm the intent of the Board. Questions on the sale have also been asked on public notice on the sale of the property.

Dr. Schramm stated it is his recommendation that the Board reconfirm its intent and the intent of Western Montana College that the entire property was intended to be sold, including the sixteen feet of Lot 18.

After brief discussion, Regent Kaze moved the Regents' confirm that it was their intent to transfer the property known as 701 South Atlantic, Dillon, Montana, including Lots 19 and 20, and the sixteen feet of Lot 18 not mentioned in the previous description. The motion carried.

Executive Recommendations on Regents' Long Range Building Priority List (Deferred Maintenance)

Mr. William Lannan of the Commissioner's office distributed copies of the Governor's Long Range Building Program recommendations for the University System for the 1991-93 biennium. He noted the Governor's recommendation supports a bonding program for new construction. Problem areas

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with the recommendation include the \$335,000 recommended for handicap access throughout the System, reduced from the Regents' request of \$9 million plus; the amount of funds for projects expected to come from "other sources" (no state dollars); the minimal amount provided for deferred maintenance; and the reorganization of priorities from the priority list submitted by the Regents.

Regents discussed the Executive recommendation at some length. Presidents and Regents spoke to the difficulty of meeting the mandate that 15% of funds for new construction be raised from private sources before construction can begin. This is particularly onerous for construction of classroom facilities which private donors tend to believe is the responsibility of the state. The question was asked, what recommendation for the Long Range Building Program will the System support - the Executive, or the Regents?

Chairman Mathers responded it was his position that the System has to go forward with the projects on the Regents' recommendation. Some of those building projects have been on the Regents' priority list for several years and no progress towards their construction has been made by this or any previous administration. Chairman Mathers stated if it is the wish of the other members of the Board and the presidents, he will discuss the Long Range Building Program recommendation with the Governor, telling him the System appreciates the bonding program he has recommended, but would have extreme difficulty raising the money through private sources that is part of that recommendation. The people of this state do not have the financial capability to allow them to make donations of that magnitude to construct public buildings. Mr. Noble pointed out in the budget discussion this morning that the corporations normally solicited for large contributions - Montana Power, U S West, Burlington Northern - have said they will not contribute money to build buildings that their taxes

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are supposed to pay for. The discussion with the Governor may not change his recommendation, but he and his staff must be convinced that a bonding program is needed; that we should consider zero coupon bonding. If the Board so directs, that is the message the Chairman will carry to the Governor.

Regent Kaze stated it would be an inordinate waste of everyone's time who sat through the lengthy process to develop the Regents' Long Range Building Program recommendations if the Regents did not go forward with the plan that resulted from those deliberations. The number one priority of that process was mandatory and deferred maintenance. Regent Kaze endorsed the effort the Governor's recommendation made to address the mandatory; to the extent deferred maintenance has not been addressed it is the Regents' responsibility to see that it is addressed through zero coupon or some other bonding procedure.

Chairman Mathers will schedule a meeting with the Governor to carry the Regents' and the presidents' concerns as outlined above.

Mr. Lannan spoke briefly to the "authorization only" section of the Executive recommendation. A number of projects recommended by the Regents are not on the list. Mr. Lannan recommended utilizing the joint House/Senate resolution process with legislators from the units' local areas to address those projects during the Legislative session.

The meeting recessed at 4:25 p.m. The Regents reconvened immediately in executive session.

Minutes of Friday, December 14, 1991

Chairman Mathers reconvened the regular meeting of the Board of Regents at 9:00 a.m. The same members were present, with the exception of Regent Kaze, who was excused due to illness. Commissioner Hutchinson was present after an excused absence yesterday also due to illness.

Chairman Mathers thanked the Director and staff of

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the Helena Vocational-Technical Center for hosting this meeting. Space for the meeting was not available in the Commissioner's office, and the Center's accommodation of the group on rather short notice is certainly appreciated.

Chairman Mathers introduced Mr. Bob Stiron, President of the Student Council of the vo-tech center, who called the meeting participants attention to the Christmas tree in the main lobby of Donaldson Hall. Bows for the tree can be purchased for \$1.00 or \$5.00 in the office with the money going to the Deaconess Children's Home to provide a better Christmas for the children living in that Home.

Approval of Minutes

Chairman Mathers called for additions or corrections to the minutes of the previous meeting. None were stated. On motion of Regent Redlin, the minutes of the October 25-26, 1990 meeting were approved.

Next Chairman Mathers called for additions or corrections to the minutes of the special call meeting. None were stated, and the minutes of the November 9, 1990 Special Call Meeting were ordered approved.

Presentation on Siting of Performing Arts Facility; Montana State University

President Tietz, MSU, reviewed the previous site visits and discussions with the Regents concerning a possible long term lease arrangement of a 5.2 acre tract of land on the MSU campus, located immediately south of Kagy Boulevard and adjacent to the Museum of the Rockies, as the site of a multipurpose Performing Arts Center to be constructed by the Gallatin Performing Arts Center, Inc. The general plan for use of the property and for the facility planned for construction was requested to be brought to the meeting for discussion.

Dr. Tietz introduced Dean Clifford Shipp, Dean of the College of Arts and Architecture, to make the presentation. In addition to his ties to MSU, Dean Shipp

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explained he is also Vice President of the Gallatin Performing Arts Center, Inc., in Bozeman. Dean Shipp distributed a fact sheet (on file) on the Performing Arts Center which outlined the scope of the project, the request being made of the Regents, the operation and maintenance plan; reciprocal considerations, benefits, and projected activities.

The petition to the Regents is to allow use of the 5.2 acre tract of land on the MSU campus for construction of the facility if that site is the final selection of the site selection committee. In exchange for the use of the land the Center will make arrangements for the University to use the Center at a reduced rate. Other than that, there are no expectations whatsoever of University support. If approval is granted today to allow the 5.2 acre of University land to continue to be considered as a site for the facility, and if it is ultimately selected as the site, an itemized proposal including fair market value to be received by the State will be brought to the Regents for formal approval. What is anticipated now is a perhaps 99 year lease arrangement.

Regents' questions were responded to regarding funding details, other sites under consideration, and projected uses of other land surrounding the proposed site.

Hearing no further discussion, Regent Redlin moved approval be granted to Montana State University to continue negotiations with the site committee for the Performing Arts Center with the understanding the site can be considered by the committee to be available if selected, and with the understanding a detailed proposal will be brought to the Board for approval if this site is selected. The motion carried.

NEW BUSINESS

Presentation by Montana State Pharmaceutical Association

Mr. Mark Eichler, Vice President of the Association, began the presentation by outlining the vital role the School of Pharmacy plays in providing vital health care services for

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the citizens of Montana. At Mr. Eichler's request, Ms. Bonnie Tippy, Executive Director of the Pharmaceutical Association, distributed a handout titled "A Report to the Board of Regents, December 14, 1990" which was reviewed by Mr. Eichler. He explained the Association is before the Board today to express its serious concern with the continued loss of accreditation the program faces, and to present a revenue-generating mechanism designed by the Association to provide money to go directly to the School of Pharmacy. The Association asks assurance from the Board of Regents that funding will be restored to the program through whatever funding mechanism is necessary, and to request adoption of a resolution by the Board which states that intent.

Ms. Tippy explained the results of a recent survey conducted by the Association to determine the most important priorities of members of the Association. Absolutely the number one priority was to save the School of Pharmacy at the University of Montana. The program has faced serious accreditation problems for well over ten years. Pharmacists can not take the examination for licensure as a registered pharmacist unless they graduate from an accredited school. Another of the top priority goals of pharmacists across the state is the delivery of quality health care to all Montanans. They believe that quality will be severely impacted if Montana loses its School of Pharmacy. Well over 75% of the practicing pharmacists are graduates of the UM School of Pharmacy. There is more than one job available in Montana for every graduate of the School; graduates stay in Montana.

After ten years of frustration with trying to obtain adequate funding for the School from the Legislature, the unique funding mechanism presented today to the Board of Regents was devised. Ms. Tippy called attention to the graph at the back of the handout which demonstrates how the proposed funding mechanism would operate. Certain license fees now

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being collected would be increased, and other elements of the pharmaceutical industry would be assessed increased license fees, with all new net revenue going to a special fund for the U of M School of Pharmacy licensure fees now collected.

Chairman Mathers asked for comment. President Dennison, UM, reported he had numerous conversations with Ms. Tippy and members of the Association. He has made it clear he shares their concerns about accreditation of the program, and about the University's commitment to retain accreditation of the School of Pharmacy, working with the Regents and the Legislature. This is an extremely high priority of the University, demonstrated by its commitment of resources to the School. President Dennison commended the effort of the Association to help the University find the revenue needed by the School, but added he continued to have reservations about this particular proposal.

Commissioner Hutchinson echoed the sentiments and appreciation expressed by Dr. Dennison to the Montana Pharmaceutical Association and those present today to present this proposal for additional funding to the Board. He pledged continuation of the accreditation of this School as a very high priority of the System. Dr. Hutchinson reported briefly on a meeting held last week to discuss the particulars of the bill with the group present today. He noted those involved in the meeting share some of the concerns of Dr. Dennison with this particular piece of legislation, but have pledged to the Association to continue to work with them from the Commissioner's office in any way possible, in concert with the University of Montana, to try to determine some way to improve the fortunes of that school. If legislation is deemed the appropriate procedure, every effort will be made to draft that legislation in a manner acceptable to all parties.

President Norman urged caution in proceeding with separate legislation singling out a single program. Many

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professional programs in the Montana University System are in danger of losing accreditation. In a recent accreditation report issued to Montana Tech the accrediting agency stated very clearly that the Board of Regents and the Legislature must recognize an urgent need to strengthen the college's financial base in order to insure the continuing viability of Montana Tech's strong educational program. This dilemma is faced by every unit in the System.

Chairman Mathers endorsed the statement of President Norman, stating in the presentations of the System's budget to the Legislature this message will be impressed on the Legislature as forcefully as possible.

Chairman Mathers thanked those representatives of the Montana Pharmaceutical Association who made the presentation for their dedicated effort, and urged their support in the coming legislative session for the accreditation needs of all units of the Montana University System.

Presentation by Museum of the Rockies

Mr. Philip R. Sandquist, Chairman, Board of Trustees, Museum of the Rockies, distributed and reviewed packets of information (on file) on the history of the Museum, its role in education and research at Montana State University; its public service role; its impact as a tourist attraction; and its funding needs.

Mr. Sandquist also reviewed the document titled "What is the relationship of the Museum of the Rockies, Inc., a 501(c)(3) organization with MSU and the Museum?" (on file). In summary, the document presented the history of the development of the Museum, concluding with the agreement entered into in 1966 with the Board of Education (now the Board of Regents) which authorized MSU to enter into a working agreement with the Corporation to "erect a building and maintain a museum." The 1989 revised agreement defines the Museum as a department of MSU and assigned the Board responsibility for generating and

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managing earned revenues and private support, establishing collections management policies, controlling use of the facility, and raising funds to support operations. The University is responsible for providing utilities, custodial services, building and ground maintenance (Physical plant), allocated state funds; management of government grants and contracts; personnel services and all services normally provided for faculty, staff and programs at MSU.

Mr. Sandquist concluded by noting the plan of action has not changed. The partnership has worked and the responsibility is still shared. What has changed is MSU's ability to provide adequate funds for staff, maintenance and utilities without a specific new appropriation.

Mr. Sandquist then introduced Mr. Thomas Nopper, member of the Board of Trustees of the Museum of the Rockies. Mr. Nopper distributed and reviewed documents on operational fund sources, source of funds, and current operating funds (on file), and the financial report contained in the booklet titled "Museum of the Rockies, November 1990". Mr. Nopper illustrated his discussion of the Board of Trustees' concern for the financial status of MOR INC. and its financial obligations with the pie chart and other handouts, concluding with a discussion of the importance to the Museum of the program modification approved by the Regents for submission to the 1991 Legislature. Mr. Nopper reported that even if the program modification is approved and received, the Museum will have to find new sources of revenue through increased fees and membership charges to maintain current operating status, and the Museum is prepared to take those actions.

President Tietz spoke briefly on the presentation, noting what the Board has before it is an example of true synergism in the sense that you gain more as the sum of the parts than you have from the individual parts themselves. The Museum is a combination of public and University activities

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that could not be achieved by either one alone. The environment the University provides for the scientists and the people working in the Museum, and the resources that Museum provides for the University, are truly remarkable. The real benefit is to the people of the State of Montana, and more recently, when the dinosaur exhibit was taken to Japan, to the international community as well. The Museum is truly a remarkable resource.

Regents questions regarding the presentation were responded to principally regarding to details of the budget discussion. Hearing no further comment, Chairman Mathers thanked Mr. Sandquist and Mr. Nopper for their informative presentations. It was noted for the record the report was informational only with no action required by the Board.

Fire Services Training School Governance Position Paper

Mr. Noble distributed copies of the Governance Paper a letter from the Montana State Fire Chiefs' Association, and a letter from the MSU Extension Service (on file) in opposition to any change in governance for the School. Summarizing, the 1989 Legislature changed governance of the FSTS from the Board of Public Education to the Board of Regents through passage of House Bill 14, which was signed into law by Governor Stephens. In February 1990 the FSTS was assigned by the Regents to the MSU Extension Service. The Fire Services Training Advisory Council endorsed both actions. Governor Stephens 1993 Biennium Budget proposal calls for consolidation of the FSTS with the Fire Management Bureau, Forestry Division, Department of State Lands. The FSTS Advisory Council, MSU Extension Service, and the School's Director and staff are opposed to this proposed change in governance.

Mr. Noble explained that when the FSTS was assigned to the Cooperative Extension Service, the School was proposed to be moved under the university fund accounting structure for operational efficiency. That move was rejected by the

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Governor's Budget Office on the basis the transfer did not address the change of accounting. This effectively placed the FSTS in limbo as the Cooperative Extension Service would not accept the administrative responsibility under those conditions.

The Governor's current recommendation in effect discontinues the School's current mode of operation, and is strenuously objected to by those who benefit from the School's programs. The School would be funded by fees collected from private land owners. The legality of such assessments has not been fully determined, but it is questionable. It is the recommendation of those who have studied the issue that the Fire Services Training School remain under the aegis of the Board of Regents as provided in current statute. Reaffirmation of the continued operational plan is requested from the Board.

Commissioner Hutchinson concurred it is the recommendation of the Board's staff that the School is best served under the responsibility of the Board. His advice was the Board provide public confirmation of its support of the FSTS.

Regent Topel concurred, noting a past action of the Budget Committee, subsequently approved by the full Board of Regents, recommending the FSTS be placed under the accounting umbrella of the University System. That position was intended to be a firm statement of the Board's intention. The Budget Office's refusal to transfer the School into the System's accounting system has created a stalemate.

Chairman Mathers concurred with the staff recommendation that the matter be taken back to the Legislature for resolution. For clarification it was noted the FSTS was placed under the Cooperative Extension Service for administration only, and would remain physically located in Great Falls. In addition, at the present time the School is located within the Great Falls Vocational-Technical Center without providing any form of compensation to the Center. A

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program modification has been prepared to be submitted to the Legislature to correct this situation. There may be the need to relocate the School out of the Vo-Tech Center, but not out of the Great Falls community.

Staff was instructed to prepare a resolution to present to the Legislature urging the Fire Services Training School remain under the governance of the Board of Regents and that its accounting structure be transferred to conform to that of all other entities of the University System.

Presentation by Office of the Legislative Auditor; Survey of University Staffing and Workloads

Legislative Staff Auditor Angie Grove reviewed the survey document (on file). She explained the goal of the survey was to provide information to the Legislation on the levels of staffing and their workloads in the university units. The survey focused on the six units, and did not include the vocational-technical centers or community colleges. Survey objectives, methodology, and conclusions were reviewed.

At the conclusion of the review Ms. Grove responded to questions of the presidents of the units surveyed. The random sampling of departments drawn on for the survey was questioned and could lead to conclusions no more relevant than those of a casual observer. It was suggested in future surveys it might be more appropriate to develop a profile of the departments as they function within the institution, and then select from that profile. The question was asked what conclusions could be accurately drawn as a result of the study.

Ms. Grove responded the report illustrates the perception of the work habits of the persons completing the report. Attempts were made where possible to confirm the survey information, but it primarily is an analysis of those perception.

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Deputy Commissioner Toppen stated he believed it important that all those hearing and receiving this report recognize that Commissioner's staff has worked diligently with the Legislative Auditor's Office in the generation and promulgation of this study. It is viewed as a significant document and such continued cooperation is anticipated in the future should the Auditor's office choose to do another such study. There are illustrations in the document of the richness of opportunities available to faculty as they go through their daily burdens, and also illustrates by virtue of that richness and diversity the difficulties that any auditing agency would have in attempting to assess what these folks do with their time. Dr. Toppen stated he did not believe there is another single profession has such richness in terms of the things they have to do - not only to fulfill their obligation to their institution but to gain tenure and promotion. There may be aspects of this document which are deficient in terms of an elegant statistician's approach to the problem, but it was a useful exercise. It demonstrates the Montana University System faculty is hard at work. They are working at least as hard and in many cases harder than faculty in their peer institutions. Staff commends staff of the Auditor's office who participated in this particular task. System staff will try to introduce itself earlier in the process in the next such endeavor so the very issues raised in today's discussion will be addressed early on.

Brief discussion was also held on the danger of statements issued in such reports that can easily be misconstrued by the press, thereby creating misunderstandings in the mind of the public and legislators. Ms. Grove concurred that this can be a problem because not everyone has insight into what constitutes faculty workload and that the multitude of other activities listed for faculty are in fact part of faculty workload. A great deal of time of the staff of the

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Auditor, the Commissioner's office, and the campuses was devoted to trying to develop accurate workload categories to show much more is demanded of faculty than standing in front of a classroom or conducting a lab. "Instructional time" as defined in the report does not consume the highest percentage of faculty time, but it is important to note the definition of instructional time as one category was developed for this report.

Hearing no further discussion, Chairman Mathers thanked Ms. Grove for her presentation, and pledged the System's continued cooperation with all aspects of the duties performed by the Legislative Auditor. Ms. Grove thanked all those on the campuses who had helped the Auditor's staff in compiling the data for the report, particularly the Academic Vice Presidents on the six campuses.

Approval of Nurses Contract; Montana State University

Dr. Schramm distributed copies of a synopsis of the collective bargaining contract between the Montana University System and the unit of nurses staffing the student health service at MSU. It is a small unit, organized last summer. Negotiations with the unit were concluded last week, resulting in approval by the bargaining unit of the contract. Virtually all provisions are similar to those in other existing contracts. The salary item is worthy of special note. Nurses within the System have asked to have an exception made in their salaries on the state pay matrix. Everyone agrees nurses are probably farther off the competitive market than most state employees, and it is increasingly difficult to recruit nurses into state jobs. This has been addressed by the legislature. The contract before the Board for action today reflects the same pay grade for nurses as was received by those in Missoula through the administrative process. Dr. Schramm recommended the contract be ratified and approved. Regent Johnson so moved. The motion carried.

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Telecommunications Presentation

Dr. Toppen introduced the next presentation explaining one of the things that is hoped to be accomplished prior to the next legislative session is to bring to the Board an enhanced awareness and acquaintance of some of the particular issues that will become key as we go forward in projects such as the telecommunications initiative the System is engaged in jointly with the Office of Public Instruction and the Department of Administration. In dealing with the term "telecommunications" - a term with many definitions which differ from person to person - many think of large computers, others think of telephone and voice communication; others think of video. There are a raft of applications of telecommunications which are quite different from the more traditional kinds of things that are done. In many cases the campuses of the System are providing national leadership in these areas. Two campuses have been asked to present today a brief description of some telecommunications projects that might not be the kinds of activities that would ordinarily be thought of in discussion of telecommunications.

Dr. Toppen introduced Regina and Frank Odasz, Western Montana College of the University of Montana, and Barbara White, from Montana State University, who have coordinated today's presentation and demonstration on an instructional and public service environment in telecommunications. Because of the lateness of the hour their presentation has been revised and shortened, but have lots of things to show to the Board.

Ms. White spoke to the importance of enhancing awareness of the use of telecommunications in the State of Montana, as well as in the nation and the world. The Board makes decisions about institutions and learners. She asked the Board to examine itself today as one of the learners with information needs that must be immediately met. Montana

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residents want access and availability to programs and degrees. Ms. White then showed two quick clips out of video material that discusses what learners will look like in the year 2000. She noted the Board of Regents particularly should be aware of the changes that will occur in the learners of the future, not just in demographics but in needs. As the Board plans for the institutional system, those changes will have to be incorporated in that planning.

Ms. White expanded on some of the ideas presented in the video presentation, concluding that what is being talked about is extending the University System to the residents of the state via any number of modes of delivery through telecommunications - audio, video, or data. The same quality of education can be delivered through interactive means valued by the learners that can be obtained by having a teacher stand directly in front of the class.

The presentation was turned over to Mr. Frank Odasz, who gave a hands-on demonstration of the Big Sky Telegraph Telecommunications project offered by Western Montana College. Big Sky Telegraph, created in January 1988 with grant monies from the M.J. Murdock Charitable Trust and the US West Foundation, has provided the genesis for a dynamic, innovative telecommunications network geared to the rural community and its need. Rural educators, business people, and community members comprise the Big Sky Telegraph on-line communications community - an extended educational arm of Western Montana College of the University of Montana. Since 1893, Western's mission has been to serve the needs of rural Montana and the Rockies, serving as the hallmark teacher's education school in Montana. Big Sky Telegraph serves as a model for rural educators and community members for the 21st century, limited only by the imaginations of its participants.

Through the Big Sky Telegraph Sharon Bond and her 3rd graders in rural Montana pen pal with students in Sweden,

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and at no cost. Twenty-two universities offer courses via this media. Mr. Odasz distributed to each of the Regents copies of a video supplement distributed by the OTA, the Congressional Office of Technology Assessment, for the linking for learning study on distance learning. He stated it is an excellent video summary, and urged the Regents to view the presentation at their leisure - noting it does begin with a one-room school in Toston, Montana, one of Big Sky's telegraphers. Mr. Odasz offered perspectives on connecting isolated practitioners through technological solutions that are available and economical. Big Sky's success is due to a high touch, one-on-one mentorship. This technology allows for the creation of a people network to communicate with resource persons so all can benefit from the available expertise.

At the conclusion of the presentation, Chairman Mathers thanked Mr. White and Mr. Odasz for their informative and exciting presentations on technology in the present and for the future.

Commissioner's Report

Dr. Hutchinson explained the lease on the building presently housing the Commissioner's Office, the Guaranteed Student Loan Program, and MHESAC expires on July 1, 1992. It appears it was necessary to extend that lease through September 30, 1992 to assure housing for those entities until completion of the new building. Commissioner Hutchinson announced that through authority vested in the Commissioner that lease has been extended.

Next Dr. Hutchinson called upon Mr. Jim Stipcich, Executive Director of MHESAC, who made a brief presentation on the status of the new building project. Mr. Stipcich reported the MHESAC Board of Directors has approved letting of bids. Those will be released today and the solicitation process begun. A bid opening date of January 10, 1991 has been established. The MHESAC Board will meet after that date to

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analyze those bids. The MHESAC Board had also approved acquiring the site for housing the facility. Mr. Stipcich outlined the expected financing structure and the lease and purchase options and terms. Mr. Stipcich stated the financing is anticipated to be closed the week of January 31, and MHESAC plans to bring a lease motion projecting the Regents costs and participation to the Board after the close. Construction will start as soon as weather permits, with completion scheduled the middle of June 1992. Extension of the lease of the present building through September 1992 should provide an adequate cushion to cover any unanticipated construction delays.

Mr. Stipcich responded to Regents' questions, particularly with regard to any future liability of the Regents for the project. Mr. Stipcich explained Regents' obligations would be only those lease obligations they would have with any property owner with whom they entered into a lease agreement. The Regents have only the obligation to honor their lease terms.

Commissioner Hutchinson referenced a newspaper article in one of today's newspapers which carries a slight inaccuracy regarding President Tietz' position and which needs correction. He explained the Board met with Dr. Tietz yesterday. When Dr. Tietz steps down as President of Montana State University at the end of the year he will be accepting a fellowship at Virginia Polytechnical Institute. Payment of his salary during that portion of his time will be made by Advanced Technology, Inc. When he returns to Montana State University there will be a number of assignments given to him, and the state side of his salary will be picked up. It should be noted that ATI will actually reimburse MSU for Dr. Tietz' services so he will be issued an MSU check. The only real question becomes the underlying funding source. Hopefully this clarifies that issue. This should not be troubling - reimbursement to institutions occurs frequently through grants and other arrangements and the check actually issued by the institution

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itself. The salary program has been accepted by the Board of Regents; the error in the Associated Press release today has caused questions to be raised that should perhaps not have been necessary.

Desert Shield Report

Commissioner Hutchinson asked Dr. Toppen to report on steps the System has taken to care for students who have been called to military service as a result of the Persian Gulf crisis. Dr. Toppen reported as a consequence of the awkward timing of many who were called to serve many were given only a matter of hours to settle their affairs. Many had only very limited opportunity to work with their campuses to complete arrangements necessary to solidify their academic standing in the University System. Concerns were expressed to military personnel. Dr. Toppen reported he has been working closely with the Office of Military Affairs, and through the office of the Commissioner has been communicating the students' concerns regarding academic and financial aid status. Every student whose name has been brought to the attention of the Commissioner's office has been tracked, and to the best of the knowledge of staff participating in this activity every student has his/her academic record satisfactorily settled with registrars and other student services personnel. This information has been shared with the Governor, who received some of these letters of concern from students and parents.

Dr. Toppen reported he believed the campuses should be commended for the excellent job they have performed in dealing with these exceptional circumstances in a very tight time frame. The Military Affairs office has offered its communication channel so the System can keep in touch with these students. The Board will continue to be kept apprised.

Enrollment Summary Report

Dr. Hutchinson called on Dr. Phillip Brooks, Director of Institutional Affairs, in the Commissioner's

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office, who presented and reviewed the document titled "Montana Higher Education Enrollment and Demographic Information" (on file). Dr. Hutchinson also noted this will be Dr. Brooks last meeting with the Board of Regents. He has accepted a position with the Department of Revenue as a Senior Economist. Dr. Hutchinson thanked Dr. Brooks for all his hard work on behalf of the University System, and wished him the very best of luck in his new career.

Dr. Brooks reviewed the tables and other data contained in the report and responded to Regents' questions.

Presentation by Kirk Lacy; Montana Associated Students

Mr. Lacy reported the Montana Associated Students held a workshop recently involving approximately 30 students from across the state representing each of the six units. Strategies for the legislative session were discussed, and meetings held with legislators, community leaders, and Dr. David Toppen. The workshop was considered very successful resulting in a strong commitment by the students to work together as a team during the coming session to promote the best interests of the higher education system.

Mr. Lacy reported also that prior to the workshop another 20 students met to put together the student report complimenting the Education Commission of the Nineties and Beyond report. Mr. Lacy distributed copies of the report of the Associated Students titled "University System: A Campus in Crisis". The entire document was produced by students, and Mr. Lacy stated he believed it shows the responsibility and commitment of the students to addressing the problems facing all of higher education in Montana.

Commissioner Hutchinson extended compliments to Mr. Lacy and to all of the Montana Associated Students. The report handed out is an excellent work and will be helpful to all involved in working for higher education during the legislative session.

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Optional Retirement Plan (ORP) Contributions

Dr. Schramm began the up-date on a topic which he explained was raised briefly in the Regents' Fall Workshop in Lewistown. It is an important issue to faculty in the System.

Dr. Schramm reviewed the history of the development of the optional retirement plan now available to faculty and administrators, which allows the choice of joining either the Teachers Retirement System or the TIAA-Cref program. The optional retirement program is an annuity program, not a fixed benefit program as is TRS. The benefit to the members of the ORP is that it is a portable program. Under the TRS, if you leave the System you may get back your contribution, but may have to start over in the retirement system in your new position. The ORP was considered to be an improved recruitment tool.

Dr. Schramm next discussed the rather enormous unfunded liability experienced by the TRS, around \$600 million. It has been amortized over between 30 - 40 years, which is not unusual for retirement systems. The University System comprised about 15% of the membership of TRS, and were in effect helping to pay off the unfunded liability. Most new faculty members are now choosing the optional retirement plan. TRS opposed the ORP, citing that it shifts funding of the unfunded liability to a smaller group.

Dr. Schramm then presented the contribution schedule for TRS - the employee contribution is about 7%; the employer approximately 7 1/2%. Only 2-1/2% goes to fund current benefits; 5% goes towards the unfunded liability, and this is the cause of concern to TRS. A compromise was reached in order to get the legislation through in 1987 for the ORP that the employee contribution would remain at 7%. The total contribution remains at 14/2%, but 3% goes to the ORP. Four and one-half percent still goes to the unfunded liability. The new faculty coming in from out-of-state oppose this

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arrangement. As a long-term situation, this appears untenable. Dr. Schramm stated he requested and received authorization from the Board to work towards elimination of this agreement by a date certain.

Dr. Schramm explained the proposal he has carried to David Senn, Administrator, Teacher's Retirement Division, which eliminates the employer contribution to TRS over the next five biennium. The benefits of compromising enough to get agreement from TRS, while not satisfactory to anyone, has the virtue of cushioning TRS to some degree while at the same time giving our ORP employees what they seek within some definite period, even if not as soon as they would prefer.

Faculty member Art Coffin, Vice Chair, Faculty Council, Montana State University and Vern Griffith from Montana Tech presented resolutions and documents expressing support for the change in percentage payment by new faculty to TRS. Professor Coffin read the resolution adopted by MSU faculty supporting elimination of the contributions in steps over a period of no more than four years. The resolution urged continuation of the dialog with TRS in order to achieve the earliest elimination of the 4.5% ORP contribution to TRS. The resolution also urged recognition of the major three year loss of contributions to TRS already experienced by members of the System who chose the ORP alternative. He explained the final sentence in effect provides faculty will "walk away" from the three year contribution lost in order to negotiate a new arrangement.

Vern Griffiths, current Co-Chair of the University Benefits Committee also reported on a resolution passed two weeks ago requesting termination of the 4.5% payment to TRS. He endorsed Dr. Schramm's presentation, and spoke further to the intent of the legislation providing the ORP, which was to make the University System more competitive. It is not doing that. As Regents, this has perhaps been encountered in the

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hiring of new presidents. It is patently unfair to require new faculty members who elect the ORP to pay the cost of the TRS unfunded liability.

After discussion and response to Regents' questions Chairman Mathers stated additional information will be brought to the Board in late January. It would perhaps be wise to delay final decision until all information is available. It was agreed decision on this matter would be deferred to the January 1991 meeting.

Resolution in Appreciation of Dr. William J. Tietz; President; Montana State University

Regent Topel read the following resolution into the record and moved that it be adopted:

WHEREAS, William J. Tietz has served the University System well and truly for the past 13 years, and

WHEREAS, he has led the state's largest University System unit to new heights of excellence in teaching, research and public service, and

WHEREAS, he has articulated a vision for educational attainment that has inspired us all, and

WHEREAS, he has consistently and tirelessly worked on behalf of Montana and its people, most especially its Native American people, and

WHEREAS, he has served as an able advisor to the Board of Regents for these many years, providing never a dull moment for the membership, the Commissioner or his staff, and

WHEREAS, there is no doubt that the Board of Regents and Montana shall miss William J. Tietz in the role of President of Montana State University,

NOW THEREFORE BE IT RESOLVED that the Board of Regents of the State of Montana thanks President Tietz for his unparalleled service on behalf of education, and wishes him well for the future.

APPROVED BY THE BOARD OF REGENTS this 14th day of December, 1990.

The motion to approve carried unanimously.

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CAMPUS REPORTS

President Dennison, UM, reported notice has been received that the School of Forestry has been fully accredited, which is very good news indeed.

President Daehling, NMC, reported he was pleased to announce the appointment of Dr. Martha Anne Dow to the position of Academic Vice President of the College.

President Tietz, MSU, announced Northwest Association fully accredited Montana State University at its meeting the beginning of this week. Second, the agriculture bill recently passed by the Congress added \$1,250,000 to be available to the bio-science building. In discussions with that Department it was learned the Department would be willing to accept the full cost of the original bio-science building as match for the dollars that will now and subsequently come to Montana State University. In the same bill \$100,000 was granted to the Agricultural Experiment Station to continue research activity. Dr. Tietz also noted the Governor's Award for the Arts was given to the Shakespeare in the Park program at MSU. MSU also received another grant which is something of a milestone being the largest grant given to an investigator in the State of Montana by the American Cancer Society. Finally, President Tietz noted the presenter during the morning's telecommunications presentation, Barb White, is the individual hired as a result of the merger of the Experiment Station and Extension Service.

Chris Warden, President, ASUM, spoke to the issue of campus security police being allowed to carry firearms during daylight hours. On the UM campus the issue is primarily focused on whether they should be able to carry sidearms; Mr. Warden felt the issue before the Board has centered more on who makes that decision. Although no official vote has been taken, Mr. Warden said it was his impression that the students are not

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too concerned who decides, but they do want an opportunity to address whomever that turns out to be and make their views known.

Chairman Mathers assured Mr. Warden that opportunity would be provided to students.

President Kettner reported on actions at DCC to respond to students who are recalled to serve in the Gulf area. He also requested further discussion of the method students are counted for funding purposes at off-campus sites.

At this point in the meeting Chairman Mathers asked to be excused to meet his flight schedule. Vice Chair Redlin chaired the remainder of the meeting.

Presentation of Larry L. Watson

Mr. Watson, out-going president of the Alliance for Disability and Students of the University of Montana, presented written testimony (on file) on the issue of providing full access to students with disabilities within the Montana University System. After a brief review of the testimony, Mr. Watson explained he is leaving Montana to move to another state. He wished to thank the Board for the progressive strides it has taken in assuring access to disabled students, and asked for a continued commitment to this goal.

Acting Chair Redlin thanked Mr. Watson for his statements. She asked that the suggestion contained in his testimony that a committee composed of Regents, legislators, and disability coordinators of each unit be formed be referred to the Commissioner's office and a response will be made after the idea is explored.

Addendum to Budget Committee Action

Regent Topel noted a correction needs to be made to the amount approved yesterday for payment of the Education Commission of the Nineties and Beyond costs. He moved the amount approved be increased by the amount of \$1,000 to cover printing costs. The motion carried.

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The meeting adjourned at 12:45 p.m. The next regularly scheduled meeting of the Board of Regents will be held on January 31 - February 1, 1991, in Helena, Montana.

