

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

DATE: June 20-21, 1991

LOCATION: Donaldson Commons
Donaldson Hall
Northern Montana College
Havre, Montana

REGENTS Mathers, Schwanke, Topel, Kaze, Boylan
PRESENT: Musgrove, Johnson
Commissioner of Higher Education John M. Hutchinson

REGENTS None
ABSENT:

PRESIDENTS Dennison, Carpenter, Daehling, Malone, Norman
PRESENT: Provost Easton;

PRESIDENTS None
ABSENT:

Minutes of Thursday, June 20, 1991

The Board of Regents met in executive session from 8:30 to 9:30 a.m.

Chairman Mathers called the regular meeting of the Board of Regents to order at 9:45 a.m. Roll call was taken and it was determined a quorum was present.

Chairman Mathers called for additions or corrections to the minutes listed on the agenda for approval. Hearing none, the minutes of the following meetings were

June 20-21, 1991

ordered approved:

March 21-22, 1991 Meeting

April 24, 1991 Conference Call Meeting

May 6-7, 1991 Meeting

Consent Agenda

Regent Musgrove moved approval of the following items on the consent agenda:

- Item 71-100-R0691, Staff; University of Montana (WITH ADDENDUM)
- Item 71-101-R0691, Resolution Concerning the Retirement of Robert R. Brock, Associate Professor of Foreign Languages and Literatures; University of Montana
- Item 71-102-R0691, Resolution Concerning the Retirement of Ronald E. Erickson, Professor of Environmental Studies; University of Montana
- Item 71-103-R0691, Resolution Concerning the Retirement of John D. Pulliam, Professor of Professional Education; University of Montana
- Item 71-104-R0691, Resolution Concerning the Retirement of Charline G. Smith, Professor of Anthropology; University of Montana
- Item 71-105-R0691, Resolution Concerning the Retirement of John Wang, Professor of Foreign Languages; University of Montana
- Item 71-510-R0691, Degrees on Recommendation of the Faculty, May 15, 1991; Montana College of Mineral Science and Technology
- Item 71-600-R0691, Staff; Western Montana College of The University of Montana
- Item 71-610-R0691, Degrees; Western Montana College of The University of Montana
- Item 71-700-R0691, Staff; Eastern Montana College
- Item 71-701-R0691, Dr. Daniel H. Henning to Professor of Political Science Emeritus; Eastern Montana College
- Item 71-702-R0691, Dr. Robert J. McRae to Professor of Physics Emeritus; Eastern Montana College
- Item 71-800-R0691, Staff; Northern Montana College
- Item 71-9500-R0691, Staff; Missoula Vocational Technical Center

June 20-21, 1991

ADDITIONS TO AGENDA:

Item 71-900-R0691, Staff; Office of Commissioner of Higher Education

Chairman Mathers stated the record should show that Regent Schwanke abstained from voting on the University of Montana staff items on the Consent Agenda, including the addendum.

The question was called on the motion to approve the Consent Agenda. The motion carried with Regent Boylan voting no; Regent Schwanke abstaining from voting on the UM staff items. Regent Boylan declined to elaborate on his vote or sequester items for discussion.

CONCURRENT COMMITTEE MEETINGS

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

COMMITTEE REPORTS

The Board of Regents reconvened in regular session at 1:00 p.m. to receive committee reports.

Administrative Committee Report:

Capital Construction Items

Chairman Mathers reported on the Administrative Committee's discussion of the capital construction items. For the most part, the items were routine, and all Regents were sent copies of the items with the agenda material. Chairman Mathers noted the majority of the items were submitted by the University of Montana. Expenditures for those items total approximately \$484,000. The Committee recommends all items on the Capital Construction agenda be approved. Regent Boylan so moved.

Chairman Mathers asked if any Regent wished to have further discussion on the capital construction items.

June 20-21, 1991

Regent Topel stated because of the System's intent to begin downsizing, he questioned the need to purchase the additional property to be obtained through approval of Item 71-704-R0691, Purchase of Real Property (339 North Rim Road); Eastern Montana College. Chairman Mathers instructed that item be withdrawn from the general motion to approve to provide opportunity for discussion.

Regent Boylan then amended his motion. He moved approval of the capital construction items numbered 1 through 8, and number 10 be approved. The amended motion carried.

Discussion was held on Item 71-704-R0691. It was explained the property is within EMC's area of purchase authorized by the Board of Regents in 1972. The requisite two appraisals have been obtained. The purchase price negotiated and for which approval is sought is \$102,000, which is approximately mid-way between the two appraisals. The anticipated short term use of the property will be rental; the source of funds for the purchase is rental property revenue. As with other similar purchases made by Eastern Montana College, the long term use of the property will be for campus expansion.

Regent Boylan moved approval of Item 71-704-R0691. The motion carried with Regents Topel and Schwanke voting no.

Policy Items Submission Agenda

Chairman Mathers reported Item 7-002-R0175, Security Operations; Montana University System (REVISED) was received for action at the August 1991 meeting. The policy change begins implementation of S.B. 1997 which was adopted by the Legislature and signed by the Governor. The revision provides a mechanism whereby campus security department officers may be authorized to carry firearms at times other than those specified in present Board policy if a campus specifically asks for a change.

June 20-21, 1991

Policy Items Action Agenda

Chairman Mathers reported Item 71-106-R0591, Approval to Establish an Honors College; University of Montana is brought forward to the full Board without recommendation. The item was thoroughly reviewed in Committee, but it was the consensus of the Committee that President Dennison should repeat his rationale for the request to the full Board, and at this time he was asked to do so.

President Dennison stated the proposal to establish an Honors College was placed on the Regents' submission agenda at the last meeting, when preliminary discussion was held and certain questions raised. The proposal to establish an Honors College was developed over the last year at the University of Montana, beginning with a faculty committee on the campus, which included student and administrative review. That committee developed a positive recommendation to move forward with the proposal. The University of Montana has had an honors program since about 1979. President Dennison stated in his opinion it has reached the point where the next step in the evolution of the program needed to be considered. The proposal calls for establishment of a College, including the necessary enhanced curriculum which will be brought to the appropriate committee of the Board for approval as the changes are made.

President Dennison stated the campus discussion of the proposal was held in the closing days of the Legislature when the possibility of downsizing or restructuring of the System was very real, and so was in the minds of the campus when establishment of the College was discussed. The proposal has now been endorsed by both the Faculty and Student Senates. The possibility of imposing a differential tuition was debated and soundly defeated. The program is open to majors all across the campus, is not a professional program, and enhances the

June 20-21, 1991

educational experience of all. An Honors College also provides opportunity for pedagogical curricular change which then spreads across the campus.

President Dennison stated he believed this proposal has been examined very closely within the context of where the University of Montana is going, and where the System as a whole is going. That is, how this fits within what the University would want to be offering to students even when numbers and resources are brought into congruence. President Dennison concluded by urging approval of establishment of the Honors College, to demonstrate that the University and the System is focusing on quality and will continue to focus on quality even in periods of restructure.

In discussion, Regents questioned exactly what the University gains by the progression from honors program to an Honors College. Commissioner Hutchinson responded, explaining the changes include a stronger overseeing administrative structure, including a Dean of the College; equal status with other academic colleges; improved recognition of that academic dimension of the institution; a rigid advising structure is provided students in the College; the positive "bleeding" effect that occurs across the campus through faculty teaching courses in the Honors College, experimenting with new teaching techniques, then moving back to their regular teaching and providing the benefits of that enrichment so all students ultimately have the opportunity of benefiting from that.

It was explained the Honors curriculum tends to develop at the general education level. Costs were discussed. The University now invests approximately \$60,000 in the honors program. The Honors College will take that amount to approximately \$111,000. Part of that money will be to move the administrator to full time, advising, support in the office, and to support the curricular development.

June 20-21, 1991

President Dennison spoke also to his commitment to spend the additional monies needed to establish the Honors College even in the face of downsizing. From his perspective, the intent of restructuring is to enhance the educational experience of students served, and this is one of the programs that needs to be enhanced. Approximately 500 students will be served directly in the Honors College; numbers of students who will sit in an honors course will be much greater than that. Admission requirements to the Honors College were discussed. Students who qualify must choose to be in the Honors College; it requires their doing more work than is required of other students.

Discussion was held on why this step has not been taken at other units. Each of the other presidents spoke briefly to honors programs on their campuses, and anticipated future directions.

Commissioner Hutchinson spoke briefly to honors colleges across the nation. They generally evolve from a few courses, to a program, then for some on to a college. He stated his view is that the Honors College is a very good thing, and something that he supports for the University of Montana. President Dennison is correct that this kind of effort is consistent with the whole idea of improving quality within the University System. Approval of this College would be more than a symbolic effort to achieve that in the case of the University of Montana. Commissioner Hutchinson reiterated statements made in the Administrative Committee meeting that it is not that he opposes the Honors College proposal; he simply wonders if at this moment is the correct timing in the face of the downsizing effort. However, he noted he had no particular wisdom on that. The possibility that action on the proposal be deferred to be considered as part of the final package

June 20-21, 1991

presented by the University of Montana in the System's restructuring also exists. Dr. Hutchinson stated categorically his belief this is a good step for the University to take, and that it is fully consistent even with the downsizing effort.

Chairman Mathers stated before a vote is taken he wished to comment on his belief that as the System moves into its downsizing effort, all should bear in mind that the purpose is to enhance the quality of the System. The quality of education students in the System receive always comes first. Restructuring does not mean elimination or control, or imposition of restrictions on the freedom of the educational opportunity of students in the System. Chairman Mathers noted this statement was made in the Administrative Committee in the morning meeting. He thought about it a great deal, and felt he should express that feeling as the Board prepares to vote on this matter.

Regent Kaze also spoke to his concern with establishment of an Honors College at this time. That concern arises from his belief that this matter should be brought forward six months from now. The College will be directed at five percent of the students at the University; he believed the need is to impact more students directly now. The best possible use must be gained from every educational dollar expended. He questioned if that would be the result if this proposal is approved.

Hearing no further discussion, the Chairman called for a motion.

Regent Boylan moved approval of Item 71-106-R0591, establishment of the Honors College at the University of Montana.

A roll call vote was taken on the motion. Regents Kaze, Topel and Musgrove voted no. Regents Johnson, Schwanke, and Boylan voted yes. Chairman Mathers voted yes. The motion to approve carried.

June 20-21, 1991

Chairman Mathers reported the Administrative Committee reviewed Item 10-003-R1175, Appointment; campus personnel (REVISED). The revision removes the requirement that every consulting professional hired by a campus must be approved by the Commissioner. The revision requires approval only if contracts exceed \$5,000, which is the same threshold at which state statute requires that notice and bid solicitation precede the hiring. The requirement that the Commissioner approve the hiring of any outside counsel is retained. On motion of Regent Boylan, the item was approved.

Chairman Mathers next reviewed the Administrative Committee's discussion on Item 18-201-R1077, Enrollment limitations; Montana State University (REVISED). He explained this item relates specifically to the nursing program at MSU. While the Committee had no objection to the proposed revisions, and recommends approval of the item, it also recommends the Chief Counsel examine the possibility that the entire policy be rescinded.

At Chairman Mathers request, President Malone spoke to the Committee's recommendation. He stated a rather hurried inquiry as to how the matter became Board policy reveals that apparently the Board of Regents, some fifteen years ago, wished to stress the conditional nature of the gatings in the junior year of nursing. He supported the recommendation that the policy be examined by MSU and Chief Counsel Schramm, and if it is mutually agreeable, return the policy for rescision.

Dr. Malone responded to Regents' questions regarding availability of clinical spots. Dr. Malone explained that in the last legislative session increased funding was given to MSU to reinstate the lost clinical slots on the Missoula campus. Approximately 30 new slots will be provided for juniors in the nursing program at Missoula next year, and

June 20-21, 1991

30 the following year. He also explained the standards and limitations on enrollment in the first two years of the program. Approximately 70% of the students in the College of Nursing transfer in from other units in the System after completion of their first or second year of the program. Through attrition the number of students needing clinical slots, and the number of slots available, have been about the same, though location of the slots has been an issue. Discussion was also held on the difficulties in limiting enrollment in the first year of the nursing program. Dr. Malone noted this program will probably need further discussion as the downsizing effort is begun.

Hearing no further discussion, Regent Boylan moved approval of Item 18-201-R1077. The motion carried.

Discussion of Contracts for Coaches

At Chairman Mathers request, Commissioner Hutchinson summarized the discussion held earlier by the Administrative Committee.

Dr. Hutchinson stated the discussion centered on whether or not a submission item should be brought forward relative to extended contracts for coaches. The spirit of the discussion emerged from the Knight Commission Report. There are advantages and disadvantages in creating a situation whereby extended contracts could be available for coaches.

Dr. Hutchinson noted that currently, particularly in men's athletics, in the Big Sky Conference UM and MSU are the only institutions that do not permit multiple year contracts for coaches. Curiously enough in women's athletics none of the schools currently permit extended year contracts for coaches. That presents an obvious problem which Dr. Hutchinson stated he did not wish to address at this time.

June 20-21, 1991

Advantages to multiple year contracts cited included providing security to the coach to be assured of time to bring in and build a team; it allows Montana not to be at a disadvantage to other teams in the Conference, and provides some security to a coach and a signal that the work being done is appreciated. Downsides discussed were the signal inevitably sent that coaches have some securities and protections that academic administrators and faculty do not have. Multiple year contracts, if forced on all schools, could be a big problem for the smaller schools who might not have the capacity to "buy out" a contract.

Dr. Hutchinson stated the Administrative Committee discussed two important provisos that would be needed if an item was brought forward to provide multiple contracts for coaches. One would be that the extended roll-over contract would not be available on the initial hire of a coach - there would be a two year probationary period before such a contract could be offered. Secondly, offering such a contract would be permissive, not mandatory, at each of the institutions, which carries its own inherent complications.

The decision reached by the Administrative Committee was to request Chief Counsel Schramm to prepare such a policy and bring it to the Board for debate. No signal of support is intended by this action.

Academic and Student Affairs Committee Report:

Announcements

Chairman of the Committee Kaze introduced Dr. Tom Waring, newly selected Vice President for Academic Affairs at

June 20-21, 1991

Montana Tech, noting this was his first meeting with the Academic and Student Affairs Committee. The Committee looks forward to his participation.

Regent Kaze reported briefly on a report given to the Committee by Dr. David Toppen, OCHE, on the progress in establishing METNet, which over the course of the next two biennia will involve expenditure of approximately \$1 million to put the network in place. This action will have significant impact on extended campus, distance learning, centers, and other kinds of policies, and changes will be brought forward as METNet becomes reality.

Dr. Toppen also reported to the Committee certain Level I changes to the University of Montana's structure and nomenclature of certain courses to be published in the semester catalog for Fall 1992. Those level of changes have been delegated to staff for approval. The Committee concurred with the changes as reported by Dr. Toppen.

Submission Agenda

Regent Kaze reported Item 71-9501-R0691, Approval of Proposal to Convert the Two-Year Certificate in Computer Programming to an Associate of Applied Science Degree in Computer Programming; and to Convert the Two-Year Certificate in Microcomputing Applications and Systems to an Associate of Applied Science Degree in Microcomputing Applications and Systems; Missoula Vocational Technical System was received for consideration at the September 1991 meeting:

Action Agenda

Regent Kaze reported Item 70-8501-R0391, Proposal to Convert the Approved Two-Year Certificates in Administrative Assistant, Legal Secretary, and Medical Secretary to a

June 20-21, 1991

consolidated Associate of Applied Science Degree in Office Technology; Great Falls Vocational-Technical Center was recommended by the Committee for approval. He so moved. The motion carried.

Regent Kaze reported the Committee recommended also that Item 70-9501-R0391, Approval of Proposal to Convert the Approved Two-Year Certificate in Legal Secretarial Technology to an Associate of Applied Science Degree in Legal Secretarial Technology; Missoula Vocational-Technical Center be approved. He so moved. The motion carried.

Regent Kaze noted for the record that at a previous meeting Item 70-2001-R1290, Approval of Proposed Associate of Science Degree in Parts Specialist Technology; Dawson Community College was brought forward containing a related pair of requests for authorization to offer a one-year certificate and a two-year associate level degree in Parts Technology. Approval of the one-year certificate was granted; the decision on the latter was delayed pending a site visit and examination of the program curriculum and facility.

Reflecting the Committee's discussion, Regent Kaze moved that Item 70-2001-R1290 be approved under the title Associate of Science Degree in Parts Management and Sales Technology, with the inclusion of the staff recommendation that staff and Dawson Community College be directed that enrollment and retention be monitored very closely to ensure retention for completion of the second year for those students who show capability and interest. The motion to approve as amended carried.

Regent Kaze reported Item 71-801-R0591, Approval of Proposal to add a General Science Option to existing Master of Education Degree; Northern Montana College is recommended by the Committee for approval, with the recommendation that

June 20-21, 1991

direction be given to staff to monitor the process to assure the incorporation of Deputy Commissioner Toppen's recommendations as set out in the memorandum to the Academic Affairs Committee dated June 10, 1991 (on file). Summarizing, those recommendations include (1) demonstrable integration of the Principles of Project Excellence into the general science option offerings; (2) articulation of the program with possible transfer of courses from other schools of education; and (3) applications of telecommunications (MUSENet/METNet) to science curriculum development in the context of the proposed option.

Regent Kaze noted also for the record that this proposal was subjected to the same questions raised regarding UM's Honors College proposal as it relates to the downsizing process. The Committee was assured that it has been, and will continue to be, part of that discussion.

In discussion, it was also noted the first option offered will be available in Summer 1992. Based on survey of interest, the College estimates between 8 - 15 potential teachers are waiting for the program's availability. Costs of the option within the existing master's program will be met through reallocation of resources.

On motion of Regent Kaze, Item 71-801-R0591 was approved with incorporation of Dr. Toppen's recommendations.

Item 71-107-R0591, Degree Offerings, Division of Biological Sciences; University of Montana, was explained as being brought forward as a consequence of the reorganization of the Division of Biological Sciences at the University of Montana. The offerings have been configured to reflect the best possible use of faculty within the reorganized Division of Biological Sciences. Regent Kaze noted that in 1988 the Board approved consolidation of several science departments under one umbrella. It was the agreement at that time that the

June 20-21, 1991

University of Montana would bring curriculum reconfiguration and terminology changes to the Board as a result of that consolidation. This item reflects that understanding. The Committee recommends approval. Regent Kaze so moved. The motion carried.

Conversion of Certain Certificate Programs to Associate of Applied Science Degree Programs; Montana Vocational Technical System

Regent Kaze reported the Academic and Student Affairs Committee received and discussed the report presented by Deputy Commissioner Vardemann which provided pertinent information to the planned conversion of certain certificate programs to the A.A.S. degree format. The document (on file) lists those programs already converted by institution, and also sets out the programs anticipated for conversion from certificate status to A.A.S. degrees in the next twelve months. Regent Kaze noted the report was included in each Regent's agenda packet. He encouraged its perusal as time allows, and that the Regents keep the report available as a reference document when future conversions are requested. Ms. Vardemann was commended for preparation of the report.

Joint Meeting Report: Budget and Academic and Students Affairs Committees

Regent Topel, Chairman of the Budget Committee, reported on the joint committees discussion of Item 71-901-R0691, Rural Physician Incentive Program; Office of Commissioner of Higher Education. The proposal mirrors legislation sponsored by Representative Ray Peck, Havre, and is brought forward to attempt to address the physician shortage in rural areas in Montana through a program which allows repayment of a portion of the student's obligation for his/her medical education in return for a specified period of service in an

June 20-21, 1991

underserved area. Details of how the rural physician incentive trust fund will be established and administered are set out in the item. The Commissioner of Higher Education shall appoint an advisory committee to establish criteria and to determine areas of the state that qualify for assistance in physician recruitment. The first 8% fee will be assessed to students enrolling in the WAMI program on or after July 1, 1992.

Regent Topel stated the joint committees recommended the item be approved. He so moved. The motion carried.

Response to Recommendation of the Auxiliary Service Review Committee; University of Montana

Regent Topel reported the second matter on the agenda of the joint Budget/Academic & Student Affairs Committees was in response to concern raised by students at the University of Montana on the use of auxiliary funds by the institution. The suggested administrative concepts of the Regents with regard to operation and financial management of auxiliary enterprises are set out in the memorandum to the Regents from Commissioner Hutchinson dated June 4, 1991 (on file), and included with the agenda materials. The principles are:

- 1) The Board's financial policies should employ the general principle that an auxiliary enterprise operation should be a self-supporting entity. The campus should incorporate pricing policies within the auxiliary entity that are sufficient to meet the necessary costs of operation such as direct costs and indirect costs, including the ability to amortize debt and provide for adequate reserves to provide a means for the auxiliary entity to meet unexpected costs that may arise.
- 2) The underlying principle in setting policy and establishing internal pricing for auxiliary goods and services is to avoid using a specific auxiliary entity's revenue to subsidize the

June 20-21, 1991

activities of other campus operations, i.e., revenue generated by housing and dormitories should not be systematically used to support athletic or academic programs. Cross subsidization of auxiliary operations within a campus distorts the concept of user equity. Those who pay the price of auxiliary goods and services should receive a fair and proportionate benefit.

- 3) Auxiliary enterprises should be managed with the foregoing principles in mind. Auxiliary managers should be provided with incentives to ensure that sound pricing practices are followed.
- 4) While the general principles described should be used in guiding the management of auxiliary operations, legal obligations and extenuating circumstances will always exist that require administrative judgment. Such is the case the University of Montana faced in recent years. Consider:
 - a) The negative accounts were in violation of law and had to be liquidated. There was no equitable means of assessing "those responsible" for creating the deficit and curing the problem. The one-time transfer of auxiliary reserves was intended to be just that, and should not be construed by the students as an endorsed pattern for solving future problems or deficits.
 - b) While the comprehensive umbrella bond indenture put in place in 1988 may complicate the establishment of equitable pricing and apportioned debt amortization policies, the intent of the indenture was not to diminish the management principles stated in the first two enumerations of this response. The pledging of an all-encompassing gross revenue stream against incurred debt is to strengthen the credit of the institution and the Regents and lessen the interest rates. Reduced debt benefits the entire institution including auxiliary operations, and lessens the costs to students both directly and indirectly through lower user fees and reduced prices for goods and services. Unfortunately, these savings are not easily apportioned or identified on campuses' accounting records.

June 20-21, 1991

Regent Topel noted the response makes clear that the Regents will establish policies with regard to auxiliary services in the Montana University System. He also noted in discussion of the response in the joint meeting problems were identified with certain aspects of section 2) regarding cross subsidization which will be addressed jointly by OCHE staff and fiscal staff at the University.

Budget Committee Report

Regent Topel reported the Committee's discussion on Item 71-004-R0691, Tuition and Fee Increase for FY 1992, 1993; Montana University System. Regent Topel noted the item presents detailed explanation of the increases.

The In-state tuition recommendation for FY 92 provides an increased registration fee from \$15 per quarter (\$45 AY) to \$20 per quarter (\$60 AY) (\$22.50 to \$30.00 per semester).

For FY 92, in-state tuition would increase from \$25 per quarter credit hour to \$26 per quarter credit hour (\$37.50 to \$39.00 per semester) for a projected academic year increased cost per student of \$57, or 5.6%. For FY 93, tuition would increase from \$26 per quarter credit hour to \$27 per quarter credit hour (\$39.00 to \$40.50 per semester) for a projected academic year increased cost per student of \$42, or 3.9%.

Out-of-State tuition for FY 92 at UM, MSU, and TECH would increase from \$41 to \$50 per quarter credit hour/AY. At EMC, NMC, and WMCUM out-of-state tuition would increase from \$41 to \$50 per quarter credit hour/AY, for a total increased cost of \$12.4%.

For FY 93, UM, MSU, and TECH, out-of-state tuition would increase from \$60 to \$65 per quarter credit hour,

June 20-21, 1991

with no adjustment at EMC, NMC, and WMCUM. The projected percentage increase is 6.4%

In addition, the tuition recommendation includes the establishment of a \$1.00 per credit hour equipment fee in FY 92, at an estimated cost to a full time student per academic year of \$42.00.

Regent Topel reported the tuition recommendation was discussed at length in the Committee, and because of issues raised in that discussion is brought to the full Board without recommendation.

At Regent Topel's request, President George Dennison spoke to his objections to the tuition recommendation. He stated that in view of the financial situation facing the University of Montana, he believed the recommendation to be insufficient to produce needed revenues. He asked the Board to consider raising tuition an additional \$2 to \$3 per credit hour. He stated he made the request reluctantly, and recognizing it does not have the support of students on the campus. President Dennison stated he had made it clear he would make the recommendation in the face of the record number of students anticipated at the University of Montana in Fall 1991. No progress can be made in reducing the number of students until at least Fall 1992. The students will be there; the University can and must assist them. He recognized the lateness of the recommendation, and its probable unpopularity, but stated he believed it to be the responsible thing to do to provide a quality education for the students coming to the University of Montana.

President Dennison responded to Regents' questions as to where this action would place tuition at UM in relation to its peer institutions (an additional \$3 increase would result in approximately 100+% for resident students; about 82% for out-of-state).

June 20-21, 1991

President Carpenter stated that reluctantly he supported President Dennison's recommendation, recognizing the awkward situation campuses find themselves in trying to find the resources to begin on an even keel. He encouraged the Board's endorsement of at least an additional \$2 per credit hour tuition increase.

President Malone, MSU, agreed he felt the same constraints expressed by the two previous presidents. He favored particularly an increase in out-of-state tuition to bring it up to the peers. However, he believed the tuition fee recommendation before the Board should be adopted without an additional increase particularly in light of the recommended equipment fee. Adoption of that recommendation is extremely important to Montana State University. President Malone stated his preference would be to enhance the tuition recommendation in the second year of the biennium.

President Norman, Montana Tech, stated he shared and sympathized with the statements of his colleagues. However, his preference also was for tuition enhancement in the second year of the biennium, if it is determined necessary at that time.

President Dennison spoke again to the urgency felt at the University of Montana for approval of the higher tuition recommendation. Recognizing the reluctance of his colleagues, he urged adoption of the higher amount at the University of Montana, even if it is not implemented at the other units.

Regent Topel noted in the Budget Committee discussion it was agreed that although the staff tuition recommendation was for increases in both FY 92 and FY 93, it was the consensus of the Committee that no recommendation be brought forward for tuition increases in FY 93, and that should be discussed by the full Board. He asked for comments from staff.

June 20-21, 1991

Commissioner Hutchinson stated the staff's concern also resides, from a System perspective, in the second year of the biennium. Discussions have been held with student leaders across the System. Essentially, they have supported the proposal before the Board. There was no approval by any of those groups for any additional increase. Conversations were also held with members of the Legislative Finance Committee on the yield from these increases. Dr. Hutchinson stated that personally he felt the System should stay with the \$1 increase; the System has approval from the student governments that the increase proposed for the second year of the biennium is open for revisitation. His recommendation was that the System move ahead only with the single dollar increase for the first year of the biennium.

Mr. Kirk Lacy, President, Montana Associated Students, echoed the statements of the Commissioner. Students have been involved in development of the tuition proposal before the Board. While students are not particularly happy facing another tuition increase, they believe the proposal is reasonable and justified. To increase tuition now without warning or discussion could lead to the perception by students that because they acted reasonably, they are to be penalized. He recommended adoption of the staff recommendation, with the door left open for discussion of any change in the second year of the biennium.

President Daehling, NMC, spoke to the burden students at Northern have already assumed in endorsing a fee increase to assist with remodeling of the gymnasium and the deferred maintenance problems of the student union building. Adding that fee to the staff tuition increase results in an approximate 14% increase in fees for students at Northern. He did not believe he could or should endorse any additional increase.

June 20-21, 1991

President Dennison stated emphatically he did not wish to argue what would be necessary for all campuses across the System. He did feel it necessary to argue for what is needed at the University of Montana. He stated he was not proposing the \$2 - \$3 increase at any unit other than the University of Montana.

MOTION: Hearing no further discussion, Regent Kaze moved adoption of the following staff tuition recommendation for FY 92: Increase in-state tuition from \$25 to \$26 per quarter credit hour - \$37.50 to \$39.00 per semester; increase out-of-state tuition at UM, MSU, TECH from \$51 to \$60 per quarter credit hour/AY; EMC, NMC, WMCUM from \$41 to \$50 per quarter credit hour/AY; increase registration fee from \$15 per quarter (\$45 AY) to \$20 per quarter (\$60 AY) - \$22.50 to \$30 per semester; and establish a \$1.00 per credit hour equipment fee. The motion carried with Regent Boylan voting no.

Regent Topel noted that without exception he wished to report next on the Committee's discussion on number 18 on the Committee agenda - Item 71-705-R0691, Authorization to for the establishment of a Physical Education Building Repair and Replacement Student Fee; Eastern Montana College. He referenced the report made by President Carpenter at the last meeting on the severity of the asbestos problem on the EMC campus. The 1991 Legislative Assembly authorized a total project of approximately \$650,000 for roof replacement and hazardous material removal in the PE building, with \$350,000 of that amount to come from "plant" funds. EMC does not have \$350,000 in "Plant" funds available. Therefore, with extreme reluctance, EMC is requesting the Board of Regents authorize a student fee to become the source of funds and provide the necessary balance to complete the repairs. The item authorizes establishment of a new fee entitled "Physical Education

June 20-21, 1991

Building Repair and Replacement" in the amount of \$5.00 for each student enrolled for 1 to 6 semester credit hours, including summer, and \$10.00 for each student enrolled for 7 semester credit hours or more, including summer.

President Carpenter spoke also to the report on this matter made at the last meeting, and to the overwhelming objection of the students to the imposition of this fee to repair a building which all feel is the obligation of the state. The building was built at no cost to the State, and now the State says because it was built at no cost, no funds will be provided for maintenance. President Carpenter stated that although he believes that is totally unfair, the building must be repaired. He did ask the Board's understanding that he be allowed to revise the priorities submitted earlier by EMC when funds provided by the 1991 Legislative Assembly for campus repair are allocated. If the Commissioner decides that is inappropriate, the fee structure requested today will stand; if revision of priorities at EMC is permitted, the fee could be modified.

Brief discussion was held on the legislative approval and funds allocated for the asbestos project and roof repair at EMC through the Long Range Building Program's actions in House Bill 5. Regent Topel also questioned President Carpenter on the students' position that they would not support implementation of the fee to repair the PE facility, even if by so doing the facility was closed. President Carpenter replied closure of the facility, which is in large part instructional, is not an acceptable alternative. EMC cannot provide all of the necessary instruction in health, physical education, and recreation, - all part of the on-going curriculum at EMC - without this facility.

June 20-21, 1991

Kirk Lacy, President, ASEMC and MAS, agreed with President Carpenter's assessment of the instructional nature of the PE facility. That is why students are taking the stance they have taken. The advisory committee established last year to review implementation and increases in fees evaluated this issue thoroughly and unanimously rejected this fee proposal. EMC's student government did the same. It is a state building; maintenance of the PE facility is not an obligation of the students. Again, Mr. Lacy stated when that vote was taken he asked specifically how students would feel if the building was closed. They still unanimously rejected the proposed fee. Mr. Lacy said of course student governments change, and the attitude of the students could change. However, philosophically students should not be paying for this repair, and that was the basis for the very firm opposition. Mr. Lacy stated he believed students have assumed responsibility for paying their fair share of costs of their education; they do not believe this is their obligation. If the students continue to "bail out the State" on its obligations, the State will continue to neglect its responsibility in the future.

At the end of discussion, for clarification President Carpenter explained what is being asked of the Board is to allow EMC to implement the \$5/\$10 fee to begin the work necessary for repair of the PE facility, with the understanding he will work with the Commissioner and his staff between now and the August meeting to see if it is possible to reallocate that portion of the LRBP funds allocated to Eastern Montana College and apply some of those funds to this project. Such action would lessen the amount needed to be raised by approximately one-third. Under this procedure, work will be able to begin this summer, and the entire project should be completed by Fall 1992.

June 20-21, 1991

Brief discussion was also held on whether the debt service for repayment could be structured in such a way that a future legislature could once again be approached for funds for repair of the PE facility.

Hearing no further discussion, Regent Topel moved approval of Item 71-705-R0691.

Regent Schwanke asked if it were possible to include a statement in the motion indicating the Regents' agreement with the students that they should not be responsible for the PE facility's maintenance and repair. It was the consensus this had been brought to the legislature's attention several times. Regent Topel also expressed his complete sympathy with the position of the students, noting he believed the Regents have been placed in a position where they are forced to take an action that is totally unfair to the students at EMC. President Carpenter agreed with the statements made, and suggested this topic might be one that could be placed on the agenda of the newly-created Regents/Legislative Committee for discussion. Regent Kaze mentioned the situation at Northern where the students have voted to impose an additional fee on themselves to fund repair of a similar facility. He believed the position of the students at Eastern should be honored; if they do not wish to support they fee, knowing that the building will be closed, then that should occur. President Daehling stated he also would have to go on record as not supporting students having to pay for maintenance of state buildings. NMC now has a similar facility that has been shut down. Had the Legislature not come through with a very significant amount of money to help that process, he doubted there would have been the same amount of enthusiasm on the part of students to further tax themselves for its repair.

MOTION: The question was called on the motion to approve

June 20-21, 1991

Item 71-705-R0691. A roll call vote was taken. Regents Topel, Schwanke, and Johnson voted yes. Regents Kaze, Boylan and Musgrove voted no. Chairman Mathers voted yes. The motion carried.

Additions to Budget Committee Agenda

Regent Topel noted two items were discussed which were not included on the published agenda.

Pay Plan Distribution

Regent Topel reviewed the information contained in the memorandum to the Board and others from Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, dated June 17, 1991 containing the pay plan distribution for FY 92 assuming the tuition recommendation was approved (on file). The distribution for FY 93 will depend on the tuition levels set by the Regents next fall. House Bill 509 did not contemplate tuition increases; the pay plan distribution identifies what the budget amendments will have to be for both the net tuition and the fee waiver portion. The attachments to the memorandum provide each campus with its pay plan allocation so the budgetary process can begin. On motion of Regent Topel, the pay plan distribution was approved as presented.

Regent Topel stated the second addition to the agenda was Item 71-8501-R0691, \$100 Specialized Fee for Emergency Medical Technician (EMT) Courses; Great Falls Vocational-Technical Center. The item was discussed in Committee, and is recommended for approval. Regent Topel so moved. The motion carried.

Items on Budget Committee Agenda Approved by Consent

Regent Topel stated that in the interest of time, it was the Committee's recommendation that the remaining items on the Budget Committee Agenda be approved without discussion. If any member of the Board had questions on any of the items,

June 20-21, 1991

they should so note and the item will be sequestered for separate action. Hearing no objection, Regent Topel moved approval of the following items:

2. Item 71-7005-R0691, Tuition and Fee Increase for FY 1992, 1993; Montana Vocational-Technical System
3. Item 71-001-R0691, Inventory and Validation of Fees; 1991-1992; Montana University System
4. Item 71-7001-R0691, Inventory and Validation of Fees; 1991-1992; Montana Vocational-Technical System
5. Item 71-002/7002-R0691, Equipment fee; Montana University System and Vocational-Technical System
6. Item 71-003/7003-R0691, Authorization to Expend Reverted Appropriations; Montana University System and Vocational-Technical System
7. Item 71-902-R0691, Program Transfer; Office of Commissioner of Higher Education
8. Item 71-903-R0691, Movement of Personal Services to Operating Expense Category; Office of Commissioner of Higher Education
9. Item 59-7002-R0588, Indirect Cost Allowance; Carl Perkins Projects; Montana Vocational-Technical System (REVISED)
10. Item 58-7003-R0388, Late Registration Fee; Montana Vocational-Technical System (REVISED)
11. Item 71-7004-R0691, Faculty Fee Waiver; Montana Vocational-Technical System
12. Item 58-7006-R0388, Building and Maintenance Fees; Montana Vocational-Technical System (REVISED)
13. Item 58-7007-R0388, Use of Plant Funds for Projects Under \$10,000; Montana Vocational-Technical System (REVISED)
14. Item 58-7008-R0388, Use of Plant Funds for Projects Over \$10,000; Montana Vocational-Technical System (REVISED)
15. Item 58-7011-R0388, Returned Check Fee; Montana Vocational-Technical System (REVISED)
16. Item 39-001-R0683, Computer Fee; Montana University System (REVISED)
17. Item 58-7014-R0388, Computer Fee; Montana Vocational-Technical System (REVISED)
18. Item 71-703-R0691, Authorization to Expend Computer Fee Funds; FY 1991; Eastern Montana College
20. Item 71-4001-R0691, Authorization to Increase Tuition and Fees Effective Fall Quarter 1991; Miles Community College

June 20-21, 1991

Chairman Mathers asked if any member of the Board had questions on the items. Hearing none, the question on the motion to approve was called. The motion carried unanimously.

The meeting recessed at 3:15 p.m.

Minutes of Friday, June 21, 1991

Chairman Mathers called the regular meeting of the Board of Regents to order at 8:35 a.m., with the same members present.

State of the Programs: Issues Facing Athletics Today

Mr. Bill Moos, Director of Athletics, University of Montana, began his presentation by introducing Dr. Ginny Hunt, Director of Women's Athletics, and Mr. Douglas Fullerton, Director of Men's Athletics, Montana State University, both of whom will also make presentations. Mr. Moos spoke highly of his competitive colleagues, and the respect which each feels for the other.

Mr. Moos addressed various issues facing athletics today. The number one objective, however, is to instruct and direct young men and women to help them progress toward their degrees and become useful citizens. Mr. Moos spoke to the importance of the athletic experience, the graduation rate of athletes, and the high standards athletes must meet to advance towards degrees. Both MSU and UM are justifiably proud of the number of academic all-conference and academic all-Americans fielded in the last four years. Mr. Moos also discussed the efforts made to recruit Montana athletes first, and the number of coaches at both institutions who are Montanans. Another accomplishment that both institutions feel very positive about is the number of championship playoffs that have been held in both Bozeman and Missoula. These infuse enormous amounts of money into those communities, and provide positive visibility to the athletic programs in the State of Montana.

June 20-21, 1991

Mr. Moos spoke also to the budgetary problems plaguing the athletic programs; while not complaining, outside sources of funding have been heavily utilized and that is not without complications. He also spoke to the mandates of the NCAA the athletic program at UM will have to meet: The addition of two new programs, one male and one female; and within the next two years all programs must be funded at a level of at least 50% of the amount of scholarships that are provided. The first mandate will cost approximately \$150,000; the second at a minimum \$75,000.

Closing, Mr. Moos spoke to recommendations of the Knight Commission, particularly as they relate to the importance of presidential control of the athletic programs. The charge of the Knight Commission is that the President, in conjunction with his Director of Intercollegiate Athletics, be involved in matters of academic integrity, accountability, and financial integrity. Mr. Moos stated at the University of Montana the athletic program is under presidential control. The department has a great relationship with President Dennison; he is very involved in personnel, budget, NCAA compliance, etc. The situation is the same at MSU. Mr. Moos stated he believed firmly that involvement is met at both UM and MSU.

Dr. Ginny Hunt, Director of Women's Athletics, Montana State University, spoke specifically to the two major challenges she believed faced intercollegiate athletics in the next decade. At the present time MSU and UM hold membership in the Big Sky Athletic Conference, which is a 1AA football conference and a Division One NCAA Conference in all sports other than football. She reviewed the requirements for membership in the conference and at the national level - six designated sports are required for both men and women. For

June 20-21, 1991

those sports to be recognized certain sports sponsorship must be met which requires a minimum number of competitions and a minimum number of athletes competing. Dr. Hunt explained how those requirements are met by both institutions through dual competitions within multiple event contests. Dr. Hunt also referenced the Board of Regents' mandate in 1986 that both institutions reduce their athletic program to the bare minimum required for conference affiliation, which has been done.

Ms. Hunt spoke to the increased number of sports required to retain Division One membership and the NCAA requirements for funding at 50% of scholarships. This will require increasing expenditures for required scholarship levels at the same time the actual cost of the scholarship is increasing. Continued membership appears problematic because of the cost of "doing business." Ms. Hunt spoke at some length to the issue of gender equity, or Title IX, requirements which prohibit discrimination on the basis of sex in any education program or activity receiving federal financial assistance. These requirements also will require increased numbers of teams and scholarships, not only at Montana institutions, but nationally. The joint problems of appropriate membership and gender equity are major challenges in the funding of athletics today and in the future. The athletic directors look forward to productive discussions with the Board regarding solutions to these problems.

Mr. Fullerton, Director of Men's Athletics, Montana State University, provided an overview of the funding problems facing athletics in Montana today. The danger in being undercapitalized lies in the result - if athletics "puts on a bad show" nobody comes. Costs are fixed; once the downward spiral begins, it is almost impossible to stop and that occurred in Montana in 1986 with the mandate to reduce costs

June 20-21, 1991

and programs to the minimum requirements for conference membership. Mr. Fullerton reviewed the conference titles won by the two universities combined in the last 15 years; though that number is quite low in the competitions of basketball and football, both universities have extremely loyal following.

The problem of undercapitalization cannot be overstated. Mr. Fullerton spoke to MSU's extremely successful efforts in raising outside funding after the mandate to reduce budgets and programs in 1986. He described it as a "house of cards" because of its unpredictability. Mr. Fullerton explained that both universities are running budgets right around \$2.9 - \$3 million. There are now five budgets in the league over \$4.4 million annually. While not asking for another \$2 million, Mr. Fullerton emphasized Montana teams always need to be competitive, and "put on a good show." If they do not, as stated earlier, that is when the spiral begins to go downward, and external funding on which the budgets were based can no longer be counted on. He spoke also to the increased efforts to raise outside funding for all aspects of services in Montana as general fund dollars become more scarce.

Mr. Fullerton explained that athletic budgets are fixed and tied to educational inflation rates. When tuition is raised this year, the athletic department at MSU has to find 78 new \$1,000 donors to stay even. If the Board of Regents believe over the long term that gate receipts will increase, along with private donors, faster than the rate of educational inflation, then all will be well. Mr. Fullerton did not believe that was realistic. Costs can be cut; divisions can change; until some kind of formula driven system is derived for athletics that inflates as cost of education inflates, the problems facing athletics today, not only in Montana, but across the nation, will continue to accelerate. The situation, in Montana and nationally, is near-crisis now.

June 20-21, 1991

Mr. Fullerton suggested a group be put together to examine the funding patterns in athletics. There are now two sources of income for athletic programs: "unearned income", which he labeled an oxymoron, consists of gate receipts, booster revenue, guarantees, etc.; "earned income" is the general fund support that comes directly from students. At MSU, and Mr. Fullerton surmised it was the same at UM, the funding for athletics is about a 50/50 split from those two sources, counting fee waivers. Nationally, unearned income at 1AA institutions is about 57%; students attending those institutions, unlike students at MSU, pay 36% of athletics funding. While the general fund support at MSU is higher, it can not make up that difference. The more coaches are challenged to raise money from private sources, the more vulnerable the programs become to "winds of change or misfortune."

Mr. Fullerton urged the Board to establish an athletic task force to study these problems, and propose long term solutions. There are short term solutions such as granting in-state fee waivers for WUE students or, as is done in Idaho, allow an athlete on full scholarship to be granted in-state status for fee purposes after one full year at a Montana institution. Others were cited, and Mr. Fullerton explained those also include cost cutting, which always occurs in those sports having the lowest gate receipts, such as the Olympic sports and women's sports. What is needed are long term solutions. If that occurs, Montana will be a national leader. The problems are certainly national.

Mr. Fullerton concluded by suggesting long term solutions be considered by the Board such as changing divisions, allow institutional prerogative, or establish "suggested retail costs" of athletics. All of these have

June 20-21, 1991

plus's and minus's but are worthy of consideration. While the situation facing inter-collegiate athletics is not rosy, in Montana those problems are all caused by insufficient budgets and the need to raise funds, and not those that are making headlines in other states.

Regents questioned the athletic directors on various aspects of the presentations, including history of and support for reintroduction of student fees to support athletics, gender equity in Montana's athletic programs, academic integrity, and graduation rates of athletes.

Provost Michael Easton, WMCUM, explained the makeup and membership of the Frontier Conference, which consists of three System units, Northern, Western, and Montana Tech, and Rocky Mountain College and Carroll College. It is a Montana conference, affiliated with the National Association of Inter-Collegiate Athletics, which completes in a limited number of sports. Provost Easton noted his perception is that on his, and certainly on certain other campuses and particularly those in the Frontier Conference, athletics are in proper perspective. What is occurring at the larger campuses, and nationally, is a general "shaking out" of the proper focus of athletics, and the seeking of an answer to the question all institutions are facing, and that is "what can you afford."

At the conclusion of further discussion, Chairman Mathers thanked Mr. Moos, Dr. Hunt, and Mr. Fullerton for their informative, realistic evaluations and their advice and counsel on the situations facing inter-collegiate athletics. The topic will be revisited.

Summary Report of Downsizing Discussion

Commissioner Hutchinson made the following statement as his summary report of the downsizing discussion held in the Regents' workshop on Wednesday, June 19, 1991:

As you will recall it was my responsibility to come before the Regents this morning and to talk about where the

June 20-21, 1991

System should go from here in this downsizing effort: to take all the information that came out of the discussion on Wednesday in the Regents' workshop and organize it in some sort of rational fashion. I have attempted to do that. I met this morning over breakfast with the executive staff in the Commissioner's office and had considerable discussion of how all of this might unfold.

My remarks are provisional at this point in time because we have really not had the sort of "soak" time necessary to put this thing together. But these are our thoughts at this stage of the game.

You will recall the fundamental goal that was given to us - a focal point - would be to reach our peer funding levels by July 1, 1995. The idea is to get all this accomplished within two biennia. As we talked it over in the staff, and as we remembered the Commission of the 90's report, it may be that we would want to loosen the schedule a bit. The Commission operated on a five year base, and many of our considerations and discussions related to a five year base. It seems to me that maybe this is the time period we ought to be looking at. It is a very enormous task, and don't sense from me that I am trying to back away from it, but perhaps we should say that we can reach our peer funding levels by July 1, 1996. That would then be in compliance with the Education Commission for the 90's and Beyond.

Beyond this focal goal of reaching peer funding levels, it seems to me there must be a broader context which we should discuss. The way in which I would like to describe this is very much the way in which an artist begins to paint a picture. If you examine the course of events that an artist goes through, in the very first stages the artist may just do some broad, undefined shadow sketches of what that picture will ultimately look like . . . the relative relationships of the key elements of that picture. And it seems to me we have an obligation in higher education not just to take the rather well defined quantitative point of reaching peer funding levels by 1996, but to sketch a broader, initially shadowed, picture of what we want this System to look like in five years. For example (and I don't know all of the elements that will be in this picture) we have begun a process of improving transferability of credit. We have begun a process of trying more and more to integrate the vocational-technical centers and the community colleges

June 20-21, 1991

into the whole fabric of higher education in Montana. We are embarking on the creation of MUSENet, a statewide collegiate telecommunications network, and then we are also part of METNet, which takes into consideration the whole of education in Montana. We still have the issue of access. We have said quality will be preserved at all costs, but there are still questions of access. (Yesterday some of those concerns were raised in the open forum.) There are many broad elements we think have to be in this picture. Now, I cannot tell you today what all of those elements are but there has to be an architecture within which we work in order to drive toward that fundamental quantitative goal. In order to do that what I have done is to configure this entire process in five phases:

Phase I would be an assessment phase. I want to share with you the things I think at least at this point ought to be included in that assessment. But these things that are included in the assessment should be viewed as a cafeteria selection. When you go into a cafeteria, most responsible people don't take every single thing that is in the cafeteria line to eat. I think what the Regents were saying on Wednesday in response to the presentation of the Presidents is they want to make sure that you take a fair number of those things that are available. What I am laying out here are elements of assessment. Some of those things may be included in the final assessment profile and some of them may not. If we try to accomplish all, it becomes a task of such enormity that we cannot complete it within the timeframe we will set for ourselves. But many of the following things can be accomplished.

First, there needs to be a program and function review whereby we look at academic programs in terms of demand, placement, centrality, cost, etc. The campuses have already done a lot of this. The exact protocol for examining programs is undetermined at this point in time - that will require some additional work - but surely we do have to look at academic programs.

We must also look at administrative, fiscal, and student affairs expenditures, and the structures in which they are contained. There are some peer and national comparisons we can use to examine those.

We have heard this morning that we do need to examine athletics. The athletic directors called for a review by the Board of Regents.

June 20-21, 1991

Second, we need to take assessment of admission and retention efforts. We have already talked at length about this. I don't need to dwell on it, but we have to look at our standards of admission, deadlines, our current probation and suspension rules, retention strategies, the speed with which individuals can flow through the pipe. All of this has to be done with sensitivity to minority and disadvantaged students. We have made a commitment to them, and we cannot create a context in which they will be denied opportunities for higher education.

Third, we would look at faculty workloads.

Fourth, we need to look at the potential economies that might be gained from centralization of function, making it very clear that we are not going to centralize for centralization's sake. Centralization makes sense only when there are economies that can be achieved, and maybe there are none.

Finally, we should examine future tuition structures, and determine what the philosophy of this System ought to be relative to tuition for the long term.

So that would constitute at least some of the elements in this cafeteria of issues to be assessed - program and function review; admission and retention; faculty workload; assessment of the economies to be achieved through centralization; and tuition. That is Phase I.

Phase II then would be the establishment and finalization of enrollment targets. Intermediate enrollment targets, as we move toward that final enrollment level, will be necessary to reach peer funding levels.

Phase III would be the presentation and selection of options to meet the goal by the campuses. There has to be System input in all of this. It must always be viewed in the context of the System, and our office and the whole of the System needs to have input. It cannot be done in isolation. The presentation and selection of options would require the campuses to present three options to the Regents. They may arrange those in hierarchy order and discuss the advantages or disadvantages of each option.

Phase IV would be a series of public hearings based upon provisional options that have been selected. We would go about the state presenting the several options at whatever

June 20-21, 1991

locations we would decide. Certainly we would go to all of the campus communities, and there may be other large communities that don't have a unit of the University System that we would want to include. We should get all kinds of input from the campus communities and the larger community, thoughtfully consider that input, and make whatever necessary revisions we have to make in the plans that have been identified.

Phase V would be the ratification and directive to implement the final plan for this effort.

Summarizing:

Phase I is assessment; Phase II is establishment and finalization of enrollment targets; Phase III is presentation and selection of options by the campuses; Phase IV will be public hearings; and Phase V will be revision, ratification, and implementation of the plan.

At this stage, I offer a tentative calendar for doing this. I say "tentative" because it is not yet clear to all of us exactly when all of these things can be accomplished. The ultimate, final point for completion of the entire process is July 1, 1992. It is a massive undertaking to be completed in that period of time. I've tried to build in some flexibilities. It is not a strictly sequential process. That is, campuses could begin working very soon on some options - in fact several campuses already have. So it is not that you have to have Phase I completed before you can move to Phase II or III. There will be some overlap. I would suggest the completion of the assessment phase by the end of this calendar year. That is a little later than some want, but in view of the enormity of the task I think we have to be a bit carefull or we will not be able to do a good job in the data collection phase. We will have to identify what can realistically be done by January 1.

Phase II, the enrollment targets, could probably be pretty well in place early on. I would sense that Phase I and Phase II could be going on almost simultaneously with a final presentation of the enrollment limitations or enrollment targets by January 15, 1992. We should have a pretty good sense of that as we move along, but I think we have to digest some of the assessment before we make that final determination because I know the campuses need to be making admissions fairly soon after the first of the year,

June 20-21, 1991

and need to know what levels might be realistic for that Fall.

Phase III I would envision being completed by March 1, 1992. That would be the presentation and selection of options.

Phase IV - the public hearings - we would conduct and complete by May 1, 1992.

Phase V, final revision, ratification and implementation would be completed by July 1, 1992.

It may be possible to move Phase V up a little bit. But I have always found that in creating calendars of this sort you need a certain amount of flexibility.

A couple of comments before this is opened up for discussion:

It seems to me that it is appropriate that the effort we are looking at would be under the general guidance and oversight of the Presidents' Council. We would have an initial meeting of that Council within the next couple of weeks to talk about this further. But the fundamental effort of the downsizing effort would not be accomplished by the Presidents' Council, but by an inter-campus coordinating committee. That inter-campus coordinating committee would carry a representative from each of the campuses; the Commissioner's office would be represented; there would be representation from the vocational-technical centers and the community colleges. The fundamental charge to this committee would be to begin to sketch that picture I was talking about - to have sort of a shadow sketch of the main sense of how this System ought to work, recognizing that the elements may change, but at least give us an initial sense of where we are going so this does not become a series of disconnected efforts on the part of the campuses to achieve their own specific peer funding levels. What we do beyond that is to make this whole system of higher education better for the state of Montana. The Coordinating Committee would have to examine the various components in this assessment phase, and determine those things that are critical to know in this effort. It would not only determine those things that must be examined, but put them in priority order. Then the Committee would begin to identify the mechanisms whereby those bits of data can be collected.

June 20-21, 1991

Third, the Coordinating Committee would give some initial contemplation to enrollment caps. That can be done in coordination with some of the information we already have in terms of our peer funding levels and could help us identify some intermediate targets.

Finally, then, the Committee would review the time line I have suggested to see if there are adjustments that would be necessary.

I would envision the Presidents, after the initial meeting of the Presidents' Council, would identify the representative from the campus to the coordinating committee. That committee would meet with the presidents at least in its initial meeting so we have strong and solid support from the chief executive officers of the campuses and from the Commissioner of Higher Education, and then the presidents would fade away from the process in the sense of their being involved in the sort of day to day activities. Certainly the Presidents would continue to have oversight of the process and would be keenly informed about the activities of that Committee. They would be the ones who would examine the intermediate efforts of that Committee. They would then also present all of the reports to the Board.

It would be a good idea also to have one or two members of the Board of Regents serve on the inter-campus coordinating committee. It will be a very active and involved committee as it is envisioned, and each member of the Regents should examine their schedules to determine if they would have the time to do that.

Regents discussed the report. Regent Schwanke underlined the Regents' desire that each campus present at a minimum three plans to reach the desired objectives so there are options available for Regents' consideration.

Regent Kaze urged strongly that the implementation date not be beyond that July 1, 1992 date as suggested by the Commissioner. By that date, there should be final approval of the plan and a charge from the Board to the Commissioner's office that begins implementation of the plan approved.

June 20-21, 1991

Regent Boylan spoke to his frustration with the process outlined, and his belief that the Board of Regents is the "provider" to the young people of the state that desire education. The plan adopted should provide for the needs of the people, not announce arbitrarily what will be provided.

Commissioner Hutchinson concurred that a large part of the initial assessment phase needs to be assessment of supply and demand needs of the state. That will be part of the data gathered in the coming year, and public input will be solicited and considered in planning development.

Presidents responded with general support for the process as outlined. The time allowed for gathering data and development of a realistic plan was indicated to be rather tight; it was agreed the involvement of the Presidents was essential; the plan is ambitious, but capable of being accomplished. If enrollment targets are to be established, there was consensus that needs to be done in such a fashion and in a timeframe that planning can be done by the campuses for implementation within the Regents' timeframe.

Regent Topel questioned whether graduation rates of Montana's system of higher education should also be compared to its peer institutions. President Dennison responded Montana is not doing as well as its peers in either funding or graduation rates, and both had better improve in the course of this process. Regent Topel asked that establishing targets for graduation be included in the planning process. In discussion of the request, cautions were expressed that consideration must be given to campuses with higher percentages of part-time students. President Carpenter stressed the goal of the downsizing effort be remembered - to improve quality - and to reach the average funding levels of our peer institutions. Quality is foremost in this effort.

June 20-21, 1991

Hearing no further discussion, Chairman Mathers stated the Commissioner will move forward with the process outlined.

Student Reports

Kirk Lacy, President, Montana Associated Students, reported on activities of the MAS. Officers for next year have been selected. Heather Rouse, NMC, was reelected Vice President; Mr. Lacy was elected to a second term as President.

Mr. Lacy reported in August he will tour the post-secondary institutions of the state with the goal improving working relationships among student government organizations and developing a model to accomplish that goal by the beginning of the school year. A statewide student government conference will be held the first week end in September. Regents participation in that event is encouraged.

Mr. Lacy concluded, urging the Board continue its past strong willingness to work with and involve students as it moves forward into the downsizing process.

Chairman Mathers assured Mr. Lacy the Board has every intention of maintaining the past excellent working relationship with students, and students' counsel and advice will indeed be an important part of the discussions and planning in the coming year.

Commissioner's Report

Dr. Hutchinson first issued thanks to President Daehling and the community and staff at Northern Montana College for hosting the Board of Regents' meeting. The hospitality was exceptional, and the arrangements for the meeting with all the additional effort required of the staff were exceptionally well-handled.

Dr. Hutchinson reported the presidential evaluation process established by the Board and carried out over the last

June 20-21, 1991

few months is complete. The process, while not perfect, worked well and a good amount of valuable information and insight was gleaned. The formal evaluations will be scheduled at the August 1991 meeting, after completion of the evaluation reports and conferences with the individual presidents.

Commissioner Hutchinson also reported on a resolution passed by the City Council of Missoula that asked consideration of what the ultimate semester calendar ought to be. There is some sentiment for a traditional calendar because of seasonal work involving students. While a commitment is made for Fall 1991, it is possible a calendar for the future should be examined for these particular situations. He asked the Academic and Student Affairs Committee take this under advisement. The request is not an isolated one.

Campus Reports

Campus presidents, center directors, and community college presidents reported on various matters on the individual campuses that positively impact the campus experience and ambience. These included at MSU the graduation of its largest Native American class (39); at UM, pleasant news from the Pharmacy Council culminating in receipt of a letter indicating full accreditation of that program at UM for four years; introduction of the new student government officers at NMC; the graduation of the largest graduating class in EMC's history, and a special recognition to Vice President Ken Heikes who is attending his last Board of Regents meeting serving EMC in that position. Mr. Heikes, is stepping down from his Vice Presidential position the end of June, and will remain as special assistant to the president for a period of time. A more formal expression of the campus's and the System's gratitude will be made in the fall, but President Carpenter stated he could not let the occasion of the attendance by Mr.

June 20-21, 1991

Heikes at his last Board of Regents meeting go by without comment. He has served the institution, the System, and the State well for 25 years. President Carpenter expressed deep and sincere appreciation for all of Mr. Heikes' efforts. Chairman Mathers expressed the Board's appreciation also to Mr. Heikes, noting he will indeed be missed.

President Norman, Montana Tech, continued campus reports by introducing Mr. Thomas Waring, newly-selected Vice President for Academic Affairs at Montana Tech, replacing Dr. David Toppen.

Correction to the Consent Agenda

President Daehling, NMC, asked a correction be made to a title submitted on an item in the consent agenda. Warren Baker was indicated on that item to be the Head Men's Basketball Coach and Athletic Director. The title should read instead Head Men's Basketball Coach and Assistant Head of Athletics. The correction was ordered approved and the item so amended.

Tour of Northern Montana College

President Daehling noted there will be a short tour of some of the facilities at Northern Montana College on conclusion of the regular meeting. Regents able to remain will participate, and any interested persons are welcome to join the tour.

Community College Report

President Kettner, Dawson Community College, reported the largest graduation class this spring in its 50 year history. President Flower, Miles Community College, reported the conclusion of a good year at the College. He spoke briefly to his observation that there are many programs on his campus that students come to in numbers the campus is unable to handle. Of course, there are also ones that are

June 20-21, 1991

underenrolled. He suggested attention be paid to the proper roll of information and "prodding" people towards higher education. The FTE formula funding method has had all involved in higher education perhaps paying a bit too much attention to recruitment. Perhaps backing off a little in that area might reach some of the target goals for enrollment discussed earlier, and reduce personnel costs in that area as well. President Fryett, FVCC, reported his campus was pleased to have Commissioner Hutchinson as its graduation speaker, and is also looking forward to hosting the August 1991 Board of Regents meeting on the new campus.

Request of the Budget Committee Chairman

Chairman of the Budget Committee Tom Topel asked for an outline of the schedule for submission of the System budget material to the Committee for review prior to the Executive Branch deadline for submission. Commissioner Hutchinson responded he and Deputy Commissioner Noble have discussed this topic and are mutually agreed that at the least the Budget Committee be involved at the front end of the entire review process. When the extremely voluminous and complex budget documents are presented to the Board of Regents for approval, the Board will have assurance that its representatives on the Budget Committee have been involved in the process from its inception.

The meeting adjourned at 11:00 a.m. The next regularly scheduled meeting of the Board of Regents will be held on August 1-2, 1991, on the Flathead Valley Community College campus, Kalispell, Montana.