

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

DATE: January 30-31, 1992

LOCATION: Student Union Building
Rooms 202/204
Montana Tech
Butte, Montana

REGENTS Mathers, Kaze, Boylan, Johnson, Topel, Rebish,
PRESENT: Schwanke
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, JANUARY 30, 1992

The Board of Regents gathered informally for an open forum/lunch from 11:30 a.m. to 1:00 p.m. in the Mineral Museum, Museum Building, Montana Tech, Butte, Montana. The open forum/luncheon was held to provide opportunity for faculty, staff, Bureau professionals and others to discuss matters of mutual interest in an informal session with the Board of Regents.

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Chairman Mathers called the regular meeting of the Board of Regents to order at 1:15 p.m. in the Rooms 202/204, Student Union Building, on the campus of Montana College of Mineral Science and Technology, Butte, Montana.

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

The Chairman stated at this point the Board would recess and reconvene immediately in concurrent committee meetings. He noted the committee agendas are relatively light at this meeting. He asked the committees to work as swiftly as possible without diminishing efficiency in the hope when the full Board reconvenes at 2:30 p.m. it could receive committee reports in addition to acting on the other matters scheduled on the agenda. This effort was made in an attempt to provide more time for discussion of the matters on tomorrow's agenda.

The Administrative Committee met in the Pintler Room of the Student Union Building. The Budget Committee met in the Library Conference Room; the Academic and Student Affairs Committee met in SUB Rooms 202/204.

Chairman Mathers called the full Board of Regents back into regular session at 2:25 p.m.

COMMITTEE REPORTS

Report of the Budget Committee

Regent Topel, Chairman of the Budget Committee, reported Item 74-901-R0192, Budget Amendment FY 92, FY 93; Guaranteed Student Loan Program; Office of Commissioner of Higher Education, was recommended for approval on January 2 by the Legislative Finance Committee. The item provides authorization to expend non-general fund monies to fund four new positions required by the GSL program beginning January 1, 1992. Complete descriptions of the positions and the additional operating expenses needed to accommodate the added

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employees are set out on the item, as are appropriate budget amendment certifications and criteria for evaluating the effectiveness of the additional services. The Budget Committee recommended Item 74-901-R0192 be approved. Regent Topel so moved. The motion carried.

Regent Topel reported Item 74-902-R1092, Budget Amendment FY 92, FY 93; Educational Talent Search Program; Office of the Commissioner of Higher Education, was also recommended for approval by the Legislative Finance Committee. The Talent Search Program received a supplemental Grant Award Notification from the US Department of Education in the amount of \$49,789. The item provides detail of how the award will be expended to hire additional tutors/instructors for the program, and appropriate budget amendment certification and criteria for evaluation. The Committee recommended approval. Regent Topel so moved. The motion to approve Item 74-902-R1092 carried.

Regent Topel briefly reviewed the discussion of the committee on Item 74-7501-R0192, Authorization to expend Computer Fee Funds; FY 1992; Billings Vocational Technical Center. The item provides authorization to expend approximately \$35,000 in student computer fees to update microcomputer laboratories/classrooms in the Center and is brought to the Board for approval in accordance with Regents' Policy 971.12. The Committee recommended approval. Regent Topel so moved. The motion carried.

Regent Topel reported the Budget Committee received a handout (on file) setting out the FY 93 Pay Plan Allocation as appropriated in HB 509, the pay plan bill, plus the previously approved \$1.50 per semester credit hour for this year. The allocation for FY 93 is the same dollar amount as last year. He noted when HB 2 was reported out of the Special Session there was a mistake which reversed the entries for the

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Bureau of Mines and Forest Experiment Station. The document distributed today contains an adjustment which corrects that error. The report of the Pay Plan Allocation was approved by the Budget Committee. No further action is required.

Mr. Rod Sundsted, OCHE, responded to Regents' questions regarding the \$616,961.00 figure which is the amount the System is short just to get to the floors. In addition, the System is short any progression increases. This was not addressed by the Legislature in the Special Session.

Additions to Budget Committee Agenda

Request from Governor's Budget Office to begin submission of program modifications

Regent Topel reviewed the difficulties in preparation of program modifications prior to the last legislative session because categories were developed by the Regents after campuses had prepared their program modifications. The units have understandably asked for as much advance notice of appropriate criteria for those submissions in this year as possible. The categories for program mods adopted were programs that were: federally mandated; state mandated; extremely critical; critical; and other. Program modification submissions that are more appropriately System modifications were discussed, for instance those mods needed to meet the requirements of the American Disabilities Act which impacts every unit and center, recycling, etc. Regent Topel stated in the committee discussion, the preference of the units was that the items to be submitted as System mods be delineated. Program modifications from the units would then not be submitted by category. Regent Topel stated his reaction to that discussion was that it is appropriate to use categories for System modifications. It would also be helpful to him, and he believed to other Regents as well, if the units used

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categories also in preparation of their program modifications. After discussion, the units concurred with that request.

Regent Topel asked the Board to delegate to the Budget Committee authority to establish categories and definitions for the units to use in preparation of program modifications so work can be done on those submissions prior to the next meeting of the Board. Hearing no objection, the Budget Committee was instructed to work with OCHE fiscal staff to establish the categories and definitions.

Clarification of Downsizing

Regent Topel reported the Budget Committee discussed the issue of downsizing of the System. Following that discussion it was believed important to point out again that the System's plan of action is to adopt a downsizing plan on or before June 30, 1992. Given the legal constraints under which the System operates, it is unlikely there can be significant implementation of the downsizing plan before July 1, 1993 at the earliest. Any implementation of such a plan before that date will be minimal at best. The 1993 Legislature will have ample opportunity, therefore, to be made fully aware of the downsizing plan contemplated by the System, and will be able to inform the System whether it wishes to agree to "decoupling" from the formula, or acquiesce to the downsizing plan with the recognition the System will lose a lot of dollars. Regent Topel stressed this is his understanding of the procedures of downsizing; the System will not be committed to actions that would lead to irreparable damage before the 1993 Legislature meets and has an opportunity to provide relief.

Report of the Administrative Committee

Regent Mathers, Chairman of the Administrative Committee, reported appropriate discussion and review was held on each of the items on the Capital Construction agenda of the

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Administrative Committee. Details of the requests and the funds involved are set out on the items (on file). Chairman Mathers stated he would briefly summarize discussion on the following items. Each is recommended by the Committee for approval.

1. Item 74-101-R0192, New Elevator, Business Administration Building; The University of Montana

Chairman Mathers noted even though the University is planning to build a new building for the school of business, the elevator is needed in the present building, which will be used as additional classroom space when the new building is constructed.

2. Item 74-102-R0192, Deferred Maintenance Projects; Replace Steam Service Lines to Rankin Hall and Replace Sewer Line to Math Building and Main Hall; The University of Montana

Chairman Mathers noted these projects are part of the University's deferred maintenance projects, and fall within the guidelines of the appropriation received for such projects.

3. Item 74-201-R0192, Authorization to Repair Residence Hall Showers in Hapner Hall, Hannon Hall and Roskie Hall; Montana State University
4. Item 74-202-R0192, Authorization to Replace Caulking on Roskie Hall; Montana State University
5. Item 74-203-R0192, Authorization to Paint Paisley Court Married Student Housing; Montana State University

Chairman Mathers reported items 3, 4, and 5 are routine maintenance projects which will be paid for out of auxiliary fund dollars; the work needs to be done during the summer months when the campus has considerably fewer students to house.

6. Item 74-501-R0192, Authorization to Sell Real Property (Lots 1, 2, 3, and 5; Block 10, Big Butte Addition, Butte, Montana); Montana College of Mineral Science and Technology

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The lots described above were donated to the MCMST in 1968 and 1972. The College does not consider them to be part of any long range property use plan; they are not contiguous to the campus boundaries. The public notice requirements adopted by the Board for sale of real property were followed. Proceeds from the sale will be deposited in the College's Unexpended Plant Fund.

7. Item 74-701-R1092, Translator Site to Serve Residents of Big Sky, Montana; Eastern Montana College

The Big Sky Owners Association has initiated a fund drive to raise \$8,000 for a translator. The Association plans to install the translator this summer and eventually will donate it to EMC. There will be no cost to KEMC or EMC.

On motion of Regent Boylan, the seven items listed above were approved.

Policy Items:

Chairman Mathers reported the Request to Extend post-retirement contract beyond the three-year limitation in Board of Regents' Policy 712.1; Northern Montana College was reviewed by Chief Counsel Schramm. The post-retirement contract in question is within the guidelines for such contracts as established in Regents' policy. No action is required at this time.

Report of the Academic and Student Affairs Committee

Notice of Intent Agenda

Regent Kaze, Chairman of the Academic and Student Affairs Committee, briefly reviewed the four items listed on the Notice of Intent Agenda, noting there were an additional four items presented to the Committee for placement on Notice of Intent which will also be received at this time. Regent Kaze explained the Committee moved rapidly through discussion of these items. Notice of Intent items are brought forward for purposes of putting Regents, all campuses, all persons

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throughout the System on notice that these matters will be coming forward on the Submission Agenda at the April meeting of the Board, moving to action in June 1992. Any comments, suggestions, or objections should be made to the sponsoring campus and to Associate Commissioner Toppen during the time the items are on Notice of Intent, and before the April 1992 meeting.

The following items were received on Notice of Intent:

1. The University of Montana: A New Instructional Program Leading to: Education Specialist Degree; School Psychology; College of Arts and Sciences and School of Education
2. The University of Montana: A New Instructional Program Leading to: Center for the Rocky Mountain West
3. The University of Montana: A New Instructional Program Leading to: Master's in Administrative Sciences; Center for Continuing Education and Summer Programs
4. Notice of Intent to Propose a New Vocational Technical Program: Medical Record Technology; Associate of Applied Science; Great Falls Vocational Technical Center

Additions to Notice of Intent Agenda

5. Dawson Community College; Associate of Applied Science; Auto-Agri Mechanics
6. Dawson Community College; Associate of Applied Science; Microcomputer Support Specialist
7. Dawson Community College; Certificate Program; microcomputer support Technical
8. Northern Montana College: Notice of Intent to convert or change its Bachelor of Technology to a Bachelor of Science and a variety of degree offering.

Information Item: Addition to Agenda

Regent Kaze also reported Northern Montana College brought forward to the Committee its intention to apply for a

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grant from the United States Public Health Service for funds to support additional faculty, staff, and audio-visual equipment relating to a proposed cooperative effort of offering the Associate Degree of Nursing through Montana Tech, the Butte Vocational-Technical Center, and Northern Montana College, on a cooperative basis.

The process utilized by Northern Montana College at this point in the cooperative nursing offering did not place the matter on the Notice of Intent Agenda. It will be brought forward on Notice of Intent six months from now if the grant is applied for and approved. It would reach the action agenda approximately one year from this date.

Regent Kaze reported NMC was put on notice by the Committee that any agreement to go forward with a grant application to the US Public Health Service has to be entered into with the acknowledgement that there is no advanced approval by the Board of Regents of the proposal whatsoever. No commitment has been made by the State of Montana to provide any kind of supplemental funding for the program if the grant expires. Grants do on occasion run out, and become a burden on the State's and the campus's general fund appropriation. Regent Kaze noted the Committee agreed the grant application was appropriate with those caveats. Approval of the ADN can be acted on at a later date.

TWO-YEAR INSTITUTIONS CURRICULUM ITEMS

Submission Agenda:

Regent Kaze reported in the interest of expediting the Committee's report, discussion on the following submission items was held to a minimum. The following four items were received for action at the April 1992 meeting:

1. Item 74-8001-R0192, Approval for Conversion of Two-Year Certificate Program in the Drafting Technology Program to Associate of Applied Science in Drafting Technology; Butte Vocational-Technical Center

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2. Item 74-8501-R1092, Proposal to Convert the Existing Approved Two-Year Certificate Program in Microcomputer Management to an Associate of Applied Science Degree in Microcomputer Management; Great Falls Vocational-Technical Center
3. Item 74-8502-R1092, Proposal to Convert the Existing Approved Two-Year Certificate in Business Management/Entrepreneurship; to an Associate of Applied Science Degree in Business Management/Entrepreneurship; Great Falls Vocational-Technical Center
4. Item 74-9001-R0192, Approval of Proposal to Convert the Two-Year Certificate in Automotive Service Technician to an Associate of Applied Science Degree in Automotive Technology; Helena Vocational-Technical Center

TWO-YEAR INSTITUTIONS CURRICULUM ITEMS

Action Agenda:

Regent Kaze reported the recommendation of the Committee is to approve Item 73-7501-R1091, Approval of Proposal to Convert the Approved Two-Year Certificate in Accounting Technology to an Associate of Applied Science Degree in Accounting Technology; Billings Vocational Technical Center. The proposal is within the guidelines established for such conversions. Regent Kaze moved the item be approved. The motion carried.

Item 73-8001-R1091, Approval for Conversion of Two-Year Certificate Program in Information Processing Specialist Program to An Associate of Applied Science Degree in Information Processing; Butte Vocational-Technical Center was reviewed in Committee, is within the guidelines of such conversions, and is recommended for approval. Regent Kaze so moved. The motion carried.

Regent Kaze reported Item 73-8501-R1091, Proposal to Convert the Current Two-Year Certificate in Medical

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Transcription to an Associate of Applied Science Degree Program as a Fourth Emphasis under the Center's Approved Associate of Science Degree in Office Technology; Great Falls Vocational-Technical Center, if approved, will be added as an option to an existing AAS, bringing the total to four options under one AAS. This action is more in the nature of a consolidation under one AAS of four separate, previously certificated programs, at the Center. It was the consensus of the Committee the item be approved. Regent Kaze so moved. The motion carried.

Item 73-9501-R1091, Approval of Proposal to Convert the Approved Two-Year Certificate in Office Administration to an Associate of Applied Degree in Office Administration; Missoula Vocational Technical Center was briefly reviewed by Regent Kaze. Once again, the request complies with the conversion process the vocational-technical system has been engaged in. It was the consensus of the Committee the item be approved. Regent Kaze so moved. The motion carried.

FOUR YEAR INSTITUTIONS CURRICULUM ITEMS

Submission Agenda:

Regent Kaze reported the Committee recommended acceptance of Item 74-204-R0192, Reorganization of the Continuing Education Administrative Structure; Montana State University for action at the June 1992 meeting. He so moved. The motion carried.

DISCUSSION ITEMS; REPORTS; OTHER

Presentation on the Montana College and University Core Curriculum Transfer Guide

Regent Kaze reported the Committee considers the "Montana College and University Core Curriculum Transfer Guide" (on file) distributed at this meeting to be a watershed document. It is the initial draft and "first round" of the

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core curriculum transfer guide. It is a very important document. It describes a total of 27 semester credit courses which can be transferred throughout the System as a block from one institution to another as part of the core curriculum. This includes references to the community colleges and tribal community colleges. This information is now available in one document, approved by all campuses. It is the culmination of a great deal of effort on behalf of the faculty, administration of all campuses, and OCHE administrative staff, particularly Dr. Sonia Cowen of the Commissioner's Office.

Regent Kaze noted this is the first step; the process will continue with a comprehensive transfer guide for the entire System being the ultimate goal. An initial draft of that document is anticipated to be brought forward in late Fall 1992. Regent Kaze noted this is a very large first step towards solving one of the most frequently heard criticism of the University System - the inability to transfer courses among units.

Executive Associate Commissioner Toppen and Associate Commissioner Cowen were commended by the full Board for an excellent beginning to solve a serious long-standing problem within the System.

Inventory of Degree Programs and Course Offerings in Great Falls and Helena

Regent Kaze reported the Committee received the Inventory (on file). He explained that through the efforts of Dr. Cowen, the Board and the System now has a complete listing of degree programs and course offerings offered by all institutions in the communities of Great Falls and Helena. This is considered to be an excellent starting point from which a coordinated and intelligent approach can be developed in the development of new postsecondary educational opportunities in

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those communities by the System or by others. It is a valuable piece of information also to present to the communities, chambers of commerce, the press, etc., to let constituents know exactly what is available in their communities in the way of postsecondary offerings. It is also a backdrop against which new offerings can be measured.

Dr. Toppen spoke to the intent of preparing the list of offerings in the Great Falls and Helena communities. Many individuals in those communities have indicated a difficulty in ascertaining exactly what the University System's commitment was to providing educational access. There are a large number of offerings. This provides a way to provide guidance to units of the System, and private institutions as well, in making future decisions on expanded educational offerings. The issue of costs of the offerings has not been addressed; it will have to receive attention in the near future.

Chairman Mathers asked if the concerns raised in past years by Carroll College regarding System offerings in Helena had been resolved. Dr. Hutchinson responded a task force was formed with Dr. Toppen as the point person. Carroll College will certainly be folded into any discussions. The System believes there are opportunities to enrich its relationship with Carroll College, and to actually provide a win/win scenario for all involved.

Regent Johnson suggested President Quinn be invited to attend a portion of the March 1992 Regents' meeting in Helena. The Secretary was instructed to issue the invitation.

Report on Conversion of Certificates to AAS Degrees

Regent Kaze reported Ms. Brady Vardemann, Associate Commissioner for Vocational-Technical Education, reported on the status of the conversion of certificates to AAS degrees in the vo-tech System. The Centers were put under the constraint

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to complete the original round of conversions under an accelerated schedule with a completion date of May 1992. The effort is on schedule; thirty conversions have been completed to date. The Committee was provided with a list of the half dozen plus programs remaining to be converted by the May meeting.

Any conversions after the May 1992 date will go through the standard procedure of the Academic Affairs Committee including notice of intent, submission, and action.

Degree Title Changes; Authorization to list specific emphases within Business Technology program; Northern Montana College

Regent Kaze reminded members of the Board that under the new curriculum submission procedures adopted by the Board, Dr. Toppen and his staff were authorized to approve certain simple matters such as name changes of programs. Part of the guidelines in such approvals is that Dr. Toppen will report any such actions taken. Dr. Toppen reported the following approvals:

Northern Montana College

<u>FROM</u>	<u>TO</u>
Farm Mechanics Technology (major & minor)	Agriculture Mechanics Technology (major & minor)
Construction Technology	Civil Technology
Drafting Technology	Drafting Design Technology
Mechanical Technology Mfg.	Manufacturing Technology

In addition, NMC's request to list in its catalog specific emphases within the Business Technology program was approved, i.e.,

Business Technology	Business Technology with emphases in: Marketing Management Small Business Management Accounting/Finance
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NMC's proposed title changes constitute a modification of a prior request in which several programs were to be re-titled as "engineering technology" programs. NMC has indicated its willingness to await a mutual acceptable resolution of the "engineering and/or technology" terminology issue.

Tuition Report

Commissioner Hutchinson explained in the presentation of the tuition report essentially five topics would be covered, then time provided for questions from the Board. The five issues to be presented were (1) a catch-up on the current status of the System vis-a-vis the Special Legislative Session; (2) the status of the tuition surcharge; (3) a review of the current tuition structure, specifically explaining "half steps" and "flat spots", and providing options on the overall tuition structure; (4) a review of the vocational-technical tuition structure; and (5) comment by the Commissioner on the agenda for discussions of tuition policy at the March 1992 Regents' meeting, a meeting set aside by the Regents for such discussion.

Commissioner Hutchinson then spoke to the financial situation of the System now that the Special Session of the Legislature is finished. He distributed and reviewed a schedule titled "Montana Systems of Higher Education 1993 Biennial Budget Reductions" (on file). The handout included the System's general fund status for 1992-93; the second column illustrated the general fund recission to which the System needs to respond (\$2.2 million general fund reduction for FY 92). For FY 1993 higher education is expected to make a contribution of \$8.7 million to the recission, which can be broken out into tuition and general fund. Commissioner Hutchinson stated it is legislative intent that the System bring its tuition levels to the average of its peers - approximately \$7.00 per credit hour for resident students; \$47

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per credit hour for non-resident students. That would generate approximately \$5.1 million to apply against the \$8.7 million obligation. Two important caveats need to be made: (1) this is in no way intended to preempt the Board's final decision relative to the tuition structure, it simply illustrates what legislative intent would generate. The second caveat is that it is recognized that raising tuitions is likely to cause some reduction in the number of students. The document therefore contemplates a 15% reduction of non-resident students, and a lesser discount on resident students.

Commissioner Hutchinson next spoke to legislative language which provides some flexibility in distribution of tuition. The Board has some additional flexibility on how those dollars will be distributed among the agencies, with the restriction that tuition dollars generated on the campuses cannot be used to pad the budget of the Commissioner of Higher Education. Second, language was inserted during the Special Session that if there is money remaining in the Six Mill Levy Account at the end of the fiscal year, it no longer requires a like amount of general fund reversion. Additional flexibility was also provided in the language regarding vacancy savings. The System was able to secure exemption from the vacant position requirement which caused such positions to be removed from the base if the position remained vacant more than one year.

Next Commissioner Hutchinson reviewed the past actions of the Regents' on imposition of a tuition surcharge to meet the anticipated budget shortfall created by the recession. At the December 1991 meeting, the Regents decided to delay imposition of the surcharge until the January 1992 meeting to allow the Special Session of the Legislature to address the System's budget shortfall. Again, it was clearly

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legislative intent during the Special Session that the System would have a tuition configuration that would permit elimination of the surcharge in its action appropriating to the System the amount of money the surcharge would have generated, leaving the \$2.2 million still to be realized from the existing budgets.

Next Dr. Hutchinson distributed and reviewed the handout titled "Explanation of 'Half Steps' and 'Flat Spots' in Current Tuition Structure." Summarizing, from 1 to 12 credits, each additional credit costs the student \$42.00 (full step). From 12 to 13 and from 13 to 14 credits, the additional credit costs the student \$21.75 (half-step). From 14 to 18 credits, there are no "step" increases. Students pay the same for 18 credits as they do 14 credits (flat spot). Elimination of the half-steps, if the Board chose to do so, would generate a certain amount of additional money, as would narrowing the flat spot.

Continuing the tuition report presentation, Mr. Rod Sundsted, Acting Associate Commissioner for Fiscal Affairs, distributed and reviewed the various tuition scenarios for units of the Montana University System (on file). Each scenario included the revenue amount generated by each option, with its impact on students shown on the second page of each scenario. Mr. Sundsted also distributed and reviewed the tuition scenario document for the vocational-technical centers (on file) which illustrated revenues generated by moving the flat spot from 12 to 14 credits; increase resident tuition from \$33.50/sch to \$38.50/sch; raise non-resident tuition to be 1.25 of incidental each year. He noted the tuition scenarios for the vo-tech centers would raise approximately \$40,000 above the revenue estimates required which would be available for the centers' underfunded pay plan.

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Regents questioned details of the various tuition scenarios. Regent Topel asked why the "flat spot" was narrowed, not eliminated. Mr. Sundsted explained the scenarios presented are simply "some of hundreds" that could be presented. Responding to the question of why the flat spot exists, Dr. Hutchinson responded they are not uncommon in higher education. Some institutions have none; some have wider ones. It certainly is not taboo to consider its elimination; however, that elimination is extremely severe on the students.

Regent Johnson asked why tuitions could not be set at "x dollars per credit hour", thereby eliminating both flat spots and half steps, which seem unduly confusing and complicating. The tuition structure seems complex. Regent Kaze noted from a student's standpoint it makes sense to have the flat spot; it might encourage acceleration of the student's program to complete the degree program in four rather than five years. Encouragement of students' taking more credits and graduating sooner was discussed. Whether that in fact occurs is frequently debated.

Regent Topel noted at the March meeting, he would like information provided showing exactly what occurs if the flat spot is eliminated. In addition, since there is so much discussion of peer funding, he asked that information on peers' utilization of flat spots also be provided.

Responding to Regent Johnson's question, Commissioner Hutchinson explained his best understanding of the "half step" was that earlier on, there was a wider flat spot. When it was narrowed, the half step was introduced to ease the impact on students.

Commissioner Hutchinson stated at this point it seems appropriate to give the Board the staff's best judgment on how to proceed. After having worked through the Special

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Legislative Session, it is the staff's considered opinion that it would be prudent for the Board to cancel collection of the tuition surcharge for this year. This recommendation is made because the cuts imposed in that session were predicated upon the assumption the Board would act in that manner. It was consistently agreed by legislators, however, that the final authority for such action rests with the Board of Regents.

Regarding the four tuition scenarios for the University System presented today, staff's judgment is that scenario #1 is the most prudent. That scenario eliminates the half-steps and raises tuition \$7 for resident students; \$7 plus \$40 for non-resident students. The reason for this recommendation is that this increase adheres to legislative intent. Whereas all recognize the Board's authority in this matter, there are certainly perils to be recognized in ignoring legislative intent which was that tuition would be raised to the level of the System's peers.

Elimination of the half-step generates approximately \$1.3 million which would come close to fulfilling the System's obligations for the pay plan. Actual narrowing of the flat spot is a somewhat broader policy question. Staff would prefer to defer that broader policy question to the March 1992 meeting when a full-ranging discussion on the whole issue of tuition policy will be a major part of the agenda.

MOTION: Regent Topel moved to retroactively eliminate the tuition surcharge that was imposed effective for the current semester/quarter. His motion did not include any recommendation for the next quarter/semester, noting the tuition discussion scheduled for the March meeting may well impact fall tuition.

Chairman Mathers stated the motion before the Board would cancel the tuition surcharge imposed at the Bozeman

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meeting in October 1992. The question was called on the motion. The motion to cancel the tuition surcharge carried unanimously.

Regent Topel cautioned students not to spend the money saved by cancellation of the surcharge; they may need it next fall.

Chairman Mathers stated next there should be discussion on the Commissioner's recommendation on selection of option 1 of the tuition scenarios.

Stating there should be counsel from the presidents, Dr. Hutchinson noted he understood the rationale of deferring decisions on narrowing the flat spot or elimination of the half step to the March meeting. He concern was that was perhaps late to meet requirements for student notification of any increase. All recommendations on tuition by both staff and HB 2 are predicated on the increases being imposed on summer session 1992 tuitions.

Regent Johnson asked if tuitions were set on March 20, 1992, wouldn't there be sufficient time for notice to students. President Carpenter responded while he shared the Commissioner's concerns, there are many issues on tuition that need discussion. No one should doubt that tuition will increase for next year. When the decision is made in March there will be time to provide notice, although it will be tight.

President Dennison agreed, with one intermediate step. The tuition increase for the coming year, he believed, speaks to the \$7/\$47 increase, ranging close to the peers. That is a separable issue he believed from where the System stands on flat spots, etc. He also preferred full discussion on all issues on the table. President Malone agreed; planning can be done on the assumption of the \$7/\$47 increases, with more uncertainty in budget building on variations on the flat spot.

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Hearing no further discussion, Chairman Mathers stated tuition policy will be the major item on the agenda at the March 1992 meeting. No further actions on tuitions will be contemplated at this meeting.

Tuition Peer Data

At Dr. Hutchinson's request, Laurie Neils, Director of Budget and Accounting, distributed copies of peer tuition and fees comparisons based on WICHE tuition and fees in public higher education in the west: 1991-92 (on file). This information was considered to be helpful for the Board's perusal before the March tuition discussion. It was noted the peer data information distributed would not, of course, reflect increases the peer institutions may implement. Ms. Neils commented the peer information provided is for the current year, 1991-92, last year, and 1986-87/1991-92 for comparison purposes for a ten-year and five-year period.

WICHE/WAMI Residency Policy Review

Chief Counsel LeRoy Schramm referenced his memorandum to the Board dated January 30, 1992 (on file) which detailed the reason for the review. Summarizing, in 1986 the Board of Regents adopted a three year residency requirement for WICHE/WAMI eligibility. Prior to that anyone who met the usual one year residency requirement used to establish eligibility for resident tuition was also eligible for the WICHE/WAMI program. The reason for the change was to reserve WICHE/WAMI benefits for persons who had a substantial connection to the state.

The three year WICHE/WAMI residency requirement has had one unintended negative effect. Longtime Montana residents who lose their residency for even a short period of time cannot easily regain it. An appeal before the Board on tomorrow's agenda demonstrates this situation. The policy question raised

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is whether or not the Regents should modify the WICHE/WAMI residency requirement to give positive credit for longtime Montanans who have briefly relinquished their Montana residency. Dr. Schramm's memorandum outlined various ways that could be accomplished, and noted the most vulnerable part of any such provision.

Dr. Schramm stated no decision is requested from the Board on this issue at this time. What would be appropriate would be some indication from the Board whether it wishes to consider some policy modification. If it does, an instruction to Dr. Schramm and Commissioner's staff to bring a proposal back to the Board at the next meeting to provide some consideration for people with long-term connections to Montana. If that is the wish of the Board, perhaps the appeal to be heard tomorrow could be heard with the possibility considered that an exception is in order. If it is the wish of the Board that the policy remain as it is, an indication of that direction would also be appropriate.

Chairman Mathers asked for clarification. He asked if the present policy has worked well except for the few occasions when a situation similar to that of tomorrow's appellant occurs. Further, he asked if the Board has the right to make an exception under present policy to the three-year requirement. Dr. Schramm responded both statements were correct. However, if cases are considered on an individual basis, ultimately the more arbitrary the Board's action may appear when such an appeal is denied.

Regent Kaze stated in his mind exceptions would then become the policy. He stated his preference was to leave the policy as it is, and enforce it. Chairman Mathers asked how many times a situation like the one before the Board tomorrow occurs, where the student is a long-time Montana residents, and

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whose parents are Montana taxpayers. Regent Kaze responded it occurred very seldom. Regent Johnson asked what would occur if the current policy was successfully challenged in court. Dr. Schramm responded that might depend partly on whether the student challenging the policy was a Montana resident or was from out of the state. The remedies would differ. Dr. Schramm stated he believed the policy could be defended against someone from outside Montana. It would be more awkward against a long term Montana resident. There is no easy or clear answer.

Regent Kaze noted if an exception is provided for the long time Montana student with roots to the State, in which case it appears the policy would be wide open to a constitutional challenge. Dr. Schramm noted even if one were a constitutional lawyer, it would be difficult to reach conclusion on this point because this question has not been litigated. The most relevant court case was one in Alaska, which was struck down by the Supreme Court on issues of violation of equal protection and the right to travel.

After brief further discussion, it was the consensus of the Board that no policy revision be brought to the Board.

Chairman Mathers announced the Butte Vocational Technical Center would host a breakfast and tour of the facility beginning at 7:30 a.m. for all meeting participants.

The Board recessed at 4:35 p.m., to reconvene immediately in Executive Session. Among other matters, consideration will be given to approval of honorary degrees to candidates nominated by the universities.

Minutes of Friday, January 31, 1992

The Board of Regents reconvened in open session at 9:15 a.m.

Chairman Mathers noted for the record that approval of the minutes of the previous meeting would be deferred to the next meeting.

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Consent Agenda

On motion of Regent Rebish, the following items on the Consent Agenda were approved:

Item 74-100-R0192, Staff; University of Montana
Item 74-200-R0192 Staff; Montana State University
Item 74-300-R0192 Staff; Agricultural Experiment Station
Item 74-400-R0192, Staff; Cooperative Extension Service
Item 74-500-R0192, Staff; Montana College of Mineral Science
and Technology
Item 74-700-R0192, Staff; Eastern Montana College
Item 74-800-R0192, Staff; Northern Montana College
Item 74-8500-R0192, Staff, Great Falls Vocational-Technical
Center
Item 74-9500-R0192, Staff; Missoula Vocational Technical Center

ADDITION TO CONSENT AGENDA:

Item 74-702-R0192, Establishing the "Helene B.
Northcutt-Benjamin C. Steele Gallery";
Eastern Montana College

OLD BUSINESS

Commitment to Quality:

Commissioner Hutchinson began the discussion with a brief clarification on the purpose of the memorandum on enrollment limitations which had received considerable attention in the press. He explained the purpose was threefold: (1) to begin a process of setting enrollment targets with input sought from as many sectors as possible; (2) to develop a preliminary list of considerations to be examined; (3) to initiate a process of self-determination on the campuses for improving quality; to make each institution the best it can possibly be with the amount of money available.

Commissioner Hutchinson then spoke specifically to the concerns raised by constituents of Montana Tech with the perceived desire on the part of the Commissioner and/or the Board to reduce that institution's enrollment by 40%. One of the common complaints is that the Board and the Commissioner do

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not fully appreciate the severe conditions that exist at Montana Tech regarding the funding shortfall. The memorandum, if it does nothing else, should demonstrate full cognizance of the severe underfunding. To state Montana Tech has to reduce enrollment by 40% in order to bring it into alignment with peers is simply another way of say Montana Tech is only funded to about 60% of its peers. Montana Tech absolutely is not going to be cut 40%; no one has proposed or advocated that kind of a cut. Dr. Hutchinson noted perhaps the most important thing he needs to say is that nobody on this Board of Regents, or in the Commissioner's office, or any of the presidents, is desirous of reducing enrollments in the Montana University System. No self-respecting educator would endorse the idea of reducing access to students so they can better themselves. But there is a responsibility to be good stewards of the money given to the System by the Legislature. Part of that stewardship is to assure there is not significant deterioration in quality. This System has experienced at least 10 years, and possibly 20 years, of severe underfunding. Someone is finally going to have to wrestle with this particular problem. That is what this Board of Regents is about. It is possible to stay the course. There will be another legislative session before the full impact of the commitment to quality has to be put in place. The people of Montana will have an opportunity to stay the course on the downsizing effort. Sooner or later the System will have to fit within the budget provided so those students in the System are assured of a quality education. The Education Commission for the Nineties and Beyond made a very significant recommendation that the System receive funding to reach the level of its peers. Absent that, the recommendation was to trim the sails and fit within the budget provided. The System has accepted that recommendation which came from a

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bipartisan Commission that had undertaken a rigorous study of higher education in the State of Montana. That is the hallmark of the System's legislative agenda, and will continue to be as we move into the 53rd Session.

Commissioner Hutchinson then reviewed in detail the document entitled "Preliminary Thoughts - Commitment to Quality; The Aspect of Enrollment Management; January 1992" (on file). He cautioned again the document is preliminary and intended to begin the dialogue. Considerations of campus efficiency, revenue losses, admission standards, programmatic standards, WUE, admission deadlines, retention standards, and other considerations were briefly addressed in the document.

Commissioner Hutchinson then made the following recommendations to the Board listed on the enrollment management document under "A Suggested Process:"

1. At the January meeting, the Regents will freeze FTE enrollments for Fall, 1992 at current actual FTE levels \pm 2%.
2. By February 21, 1992, campuses will indicate the means whereby they will implement the enrollment freeze.
3. By February 21, 1992, campuses should also provide formal reaction to this document with suggested revisions in the enrollment targets proposed in Table 2. Clear explanations for the suggested revisions are necessary and campuses must keep in mind the mandate of the Regents to reach peer funding levels by July 1, 1996.
4. The Commissioner's Office will review the academic program data and plan campus conferences to review the results.
5. An Operations Committee meeting will be called for mid-February to review efforts to date and to receive input and counsel on the process.

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6. Final enrollment targets will be established by mid March and campus plans will be due May 15, 1992. (Revised later in the discussion to change receipt of campus plans to April 15, 1992.)

Before moving to the areas identified for further explanation by Executive Associate Commissioner Toppen, Regent Topel questioned recommendation (6) which states campus plans will be due May 15, 1992. Commissioner Hutchinson stated in view of the energies diverted by the Special Session of the Legislature that deadline was moved forward to provide more time for response by the campuses. He believed the target date of June 30, 1992 for completion of the effort could still be met.

Regent Topel and Regent Kaze expressed concern that schedule would not allow sufficient time for the hearings on each campus. Regents agreed there should be full Regent participation in all hearings. After discussion and consultation with the presidents, it was agreed to change the date for receipt of campus plans to April 15, 1992.

Regents and the presidents discussed moving the implementation date for the downsizing effort beyond the July 1, 1992 established date. Regents did not concur with that suggestion, citing the urgency that a plan be in place that provides the earlier agreed upon time frame for Legislative contemplation and action in the 1993 Session. The System is seven months into the process; considerable planning effort has been expended on the effort even with the diversion of efforts to respond to the Governor's recission and the Special Session. Programmatic recissions create the most difficulty because of the need for the campuses to involve not only all the people that should be involved on the individual campuses, but also to interact heavily with each other through the Commissioner's Office.

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Campuses agreed they could produce the plans by the April 15 deadline, but asked the Regents for clarification of the objectives of the planning process.

Regent Topel stated he believed the downsizing effort to be one of the most significant decisions ever made by the Board of Regents. He agreed that if decisions of this kind are made, the resulting actions must be based on good information. It must be done right, or it can not be done at this time. However, he stated that if the deadlines and timeframes established seven months ago cannot be met, he would be extremely unhappy.

Regents emphasized the goal of this endeavor is to reach peer funding, not to reduce enrollments. President Norman then asked if the goal is to reduce programs, revise admission standards, deal with retention standards, and enrollment. This would lead to programmatic reductions as was mentioned by President Malone. Enrollment limitations would result. President Norman asked for objectives for the campuses to aim towards.

Regent Johnson stated he believed the objective of seeking the views of the campuses was so they would come forward to the Board with plans to "modify downsize to say right-size." The campuses would bring forward plans that would enable the Board of Regents to achieve the direction it wishes to go - to achieve peer funding by 1996 - and give the Board information from each campus that would allow the System to reach that goal as closely as possible.

Regents discussed the time frames established last fall for campuses to meet the objective of peer funding by 1996. Regent Topel spoke to President Norman's concerns. Three options outlining how to reach peer level funding by 1996 were requested from each campus. That does not say Montana

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Tech has to cut any specific number of students. Montana Tech has the option of coming to the Board with recommendations that it should not be funded at the level of its peers because the peer institutions have access to much larger funds; perhaps Tech's tuitions are too low in relation to its peers. The simplistic solution of student reductions does not have to be the only option, or even one of the options, brought forward. The presidents are creative people. Regent Topel stated they should bring creative options for reaching peer level funding to the Board. If all the Board wished to consider was the simplistic approach, it is obvious what would occur on each campus, and particularly Montana Tech.

Regent Kaze noted he also did not believe that each campus would bring in identical or even similar options. Campuses are allowed maximum flexibility in developing their plans.

President Dennison stated he remembered the original discussion very well. His recollection was that each president would bring forward the option that worked best for each campus. Regents at that time stated that was not what they wished to receive; they wanted to be able to choose one of three options. This requires campuses to look at the mix of students and what the peer levels of funding are; they also have to make some assumptions of some kind about what the funding level will be in Montana. That is one parameter that is uncertain at this time. The simplistic approach is to say there will not be any increases, but President Dennison stated he did not believe the simplistic approach would hold. Some assumptions have to be made, and will be made when the plans come forward. Tuition policy will also have to be known in order to come to a number that is realistic. President Dennison stated as his colleagues have pointed out, this process has begun on the campuses. The April 15 deadline can be met.

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President Carpenter referenced a report given by the Commissioner at the last meeting which informed the Board where the System was in this process. His comments indicated the process was within two weeks of the deadlines established at the Havre meeting. There was anticipation, because of the Special Session, that the process would be delayed. President Carpenter stated the System is still within two weeks of the schedule adopted by the Board last June. The Board should not think that work has not been accomplished on the campuses to develop plans to reach peer funding, or that the campuses are saying the process should not go forward. The campuses are as concerned as the Board, and are on track. What the campuses are asking for now is as much flexibility as possible between now and the deadline for presentation of the plans.

Commissioner Hutchinson summarized, stating the OCHE will work with the campuses on enrollment targets and assumptions. Campus counsel is essential; the April 15 deadline for presentation of the plans to reach peer funding by 1996 will be met.

Presentations by Butte Area Legislators and Others

Senators J. D. Lynch and Judy Jacobson, Butte Silver Bow Chief Executive Jack Lynch, Representatives Joe Quillici and and Pavlovich, others spoke to the Board regarding the harmful effects the Montana Tech campus and the Butte community believed have occurred as a result of the memorandum from the Commissioner's office which discussed downsizing. While comments have been made in today's meeting that the memorandum was intended to begin discussion, and is in no way the plan the Board plans to address, the damage such speculation causes to the campus and community cannot be over-emphasized. Butte area legislators spoke in strong opposition also to the Board's discussion of limiting access to higher education institutions.

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Mr. Jack Lynch presented a letter to the Board expressing the Butte Silver Bow Council of Commissioner's and others' opposition to any serious consideration of downsizing or capping units of the University System. He spoke also to the critical component Montana Tech is to the entire Butte community, and urged no further consideration of downsizing.

Senator Judy Jacobson read a prepared statement speaking to the extreme difficulty the Board's discussion of downsizing and enrollment caps places the legislative body in its attempts to obtain increased funding for the Montana University System. Senator Jacobson also spoke to the hardship created for the Butte community by the Regents' action some years ago removing the business program from Montana Tech. At that time, Senator Jacobson said, promises were made to fund the engineering programs at Montana Tech, and she did not believe those promises have been kept. Senator Jacobson said as Chairman of Senate and Finance and Claims, the Legislative Finance Committee, and as a member of the Regents/Legislative Committee which was formed to work towards improved relations and understanding among legislators and the Board of Regents, she will continue to support higher education in Montana. As a member of the Butte delegation, Senator Jacobson said she will continue to fight for the viability of Montana Tech; it was her right and her duty. She asked for cooperation and improved understanding. Without those elements, decisions of the Board could be very detrimental to the System as a whole.

Mr. Don Peoples, former member of the Education Commission for the Nineties and Beyond and Butte resident, asked the Board of Regents to "go slow." He reviewed the recommendations of the Education Commission, but urged the Board not to take precipitous actions in implementing those recommendations. He spoke also to the damage caused by the

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discussion in the press of the memorandum from the Commissioner presenting various downsizing scenarios. Mr. Peoples stated it is incumbent on people like himself, and other business leaders of the Butte community, to come to the aid of the University System. The state needs a strong University System. Mr. Peoples stated he planned to initiate a campaign in the state to elicit the support of industry in the state to work for additional funding for the System. That is absolutely essential. He spoke also to the importance of Montana Tech to the Butte community, and to the state as a whole. It has been and should continue to be a source of pride to the whole state. A 40% reduction in enrollment would destroy that excellence. He pledged his support and that of the citizens and business leaders in the State to be certain the Legislature and the Governor hear that message, and asked the Board to provide time for that support to be garnered.

Chairman Mathers responded to comments made. He thanked Mr. Peoples for his words of support, stating none of the members of the Board want to limit enrollment. But the Education Commission for the 90's made such a recommendation, the recommendations of the Commission were adopted by the Board, and action on those recommendations has to begin. The people of Butte, however, should be assured the Board of Regents has no intention to cut the enrollment of Montana Tech by 40%. Discussion has to begin; these are preliminary discussions. Decisions have to be made by the Board in public meetings. Some of the problems experienced by the Butte community today are caused by the very public nature of these discussions, but that is the law in Montana. He assured the Butte community the Board will in fact move slowly and deliberately.

Responding to Representative Pavlovich's suggestion

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that funds be taken from the Coal Tax Trust interest account, Chairman Mathers stated he was a member of the committee which established that account. He stated in 1979 he proposed legislation to use that Coal Tax Trust; it passed the Senate but not the House. Chairman Mathers noted he has "preached that same sermon" that the interest from the account should be used for many years. He stated he sees buildings deteriorate, deferred maintenance needs postponed repeatedly. The chemistry department in Butte has served as an example of the pitiful condition of many of the System's facilities. The State is sitting on \$500 million and won't spend it. He urged Representative Pavolich to continue to pursue legislation to use some of those funds for today's problems.

Chairman Mathers also asked the legislators present to give the Board an opportunity to deliberate on the matters before the Board. The memorandum that has created so much controversy, again, was a preliminary presentation of the worst case scenario that could occur if the most simplistic approach was taken to the System's problems. That translated in the press to "this is what is going to happen", and was headlined. He asked the people of Butte go give the Board an opportunity to hold discussions among its members, and with the presidents of the units. The Board of Regents has no intention or desire to destroy the Butte campus or any other campus. Quality must be maintained, as must a good educational system. Those are the goals and desires of the Board of Regents.

Regent Topel reemphasized his comments of yesterday, stating when the decision is made on June 30 of this year to downsize the System, very little will be implemented the first year. Again, there will be ample opportunity for citizen and legislative action to revisit, revise, or derail, the downsizing before any irreparable damage occurs to units of the

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System or to the students. Adoption of the downsizing plan in June 1992 will lay the plan before the State; there will be time to revise or revisit if funds are made available.

Discussion of Enrollment Targets

At the request of the Chairman, presidents of the units discussed the impact on the individual campuses of enrollment targets for Fall 1992. Summarizing, the presidents discussed the effects on each of the campuses of the conversion to the semester system, and the needs to maintain certain numbers to continue to meet fixed costs such as bonded indebtedness. Whether the enrollment targets should be based on actual or budgeted FTE was discussed, as was the "plus or minus 2%" window. Four presidents urged the enrollment freeze be based on the actual Fall 1991 enrollments; two asked to use the budgeted FTE figure.

After discussion, it was the decision of the Board that in the interests of parity, campuses could use either budgeted or actual figures, in establishing enrollment targets for Fall 1992. It was agreed that flexibility would allow using the most realistic, recent data for setting the targets for capping growth, but would prevent doing damage to any of the campuses. Commissioner Hutchinson concurred with that decision. The main purpose, he noted, is to stabilize; to put the System in a position wherein it is staged to move forward if that becomes necessary. The dual approach allows equitable treatment for each of the units.

Regent Topel asked if any further clarification was needed by the presidents on the enrollment freeze, and was told there was not.

MOTION: Regent Topel moved that enrollment caps for 1992 be the greater of each particular unit's Fall 1991 actual or 1991-92 budgeted FTE enrollment, whichever is greater, with a plus or minus 2% window in establishing the caps provided.

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The motion carried, with Regent Boylan voting no.
Presentation by Executive Associate Commissioner Toppen on Admission Standards; the Western Undergraduate Exchange Program; Retention Standards; Academic Programs; Progress Report on the Commitment to Quality Effort

Dr. Toppen noted admissions standards was the subject of a report given to this Board at the Havre meeting over seven months ago. Impacts of admissions standards put in place over the last years in the University System were discussed in that meeting. A series of admissions criteria, programmatic criteria required of high school graduates, and admissions standards based on academic achievement levels, grade point average, ACT scores, and rank in class were discussed. Students are allowed to enter the University System if they have satisfied any one of the three quantitative admission standards. Of the three windows of passage, the ACT score criteria was chosen by 90% of students entering the System. That cadre of students is now being looked at to determine if the System has done an appropriate job of establishing those criteria, and have students who entered through one of those three windows done well or poorly, and to provide additional counseling if it is needed.

Dr. Toppen noted one of the recommendations in the Commissioner's document is establishment of these same admission standards for in-state students as are used now for out-of-state students, i.e., two of the three standards. It is also important to look at programmatic admission standards once a student has attained admission into an institution. All of these can be used as the System develops its Commitment to Quality effort.

Dr. Toppen spoke next to the Western Undergraduate Exchange Program. He distributed copies of the WUE Bulletin to the Regents, which listed on pages 15, 16, and 17 the Montana entries for the WUE program.

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Dr. Toppen briefly reviewed the creation of the WUE program, developed by WICHE to utilize the academic resources of the western states more effectively. Access is provided to unique programs in each state by means of a tuition structure which allows that program to be available to an out-of-state student at only a 50% surcharge over in-state tuition. Virtually every program in the Montana University System, with noted exceptions, are available to out-of-state students under that program. WUE program availability in other states have been constrained for enrollment management purposes. This should be an important consideration in Montana's enrollment management process. Currently, 1,722 students are in Montana's higher education system under the WUE program, with the highest number coming from Wyoming.

Dr. Toppen reviewed other facets of the WUE program. A total of 887 Montana students have emigrated to other states through the WUE program. Montana therefore has realized a total of 835 net students coming into the State under this program. Dr. Toppen reviewed the programs most impacted by these incoming students, including those attending Montana's community colleges. The WUE program provides a high influx of incoming students. Dr. Toppen reviewed other demographics of the WUE program, and pointed out how excluding certain of the heavily impacted programs could be used as an enrollment management device without having a negative impact on Montana residents.

Next Dr. Toppen addressed retention standards, explaining these are the "back side" of admission standards in that they are numerical criteria used to determine if students can stay in the System and under which status they might stay on campus. Concerns are being addressed by Dr. Toppen and Assistant Commissioner Cowen regarding the lack of

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standardization of retention standards across the System. While not widely variant, they do differ regarding designation of students on probation or conditions resulting in suspension. This can exacerbate students ability to transfer. There should be consideration of these standards; it could impact the Commitment to Quality effort, though not to a great degree.

Finally, speaking to academic programs, Dr. Toppen noted this is one of the major endeavors in the Commitment to Quality effort. Campuses have been asked to provide to OCHE numerical data regarding student populations and ways students traverse through those programs. Dr. Toppen distributed and reviewed an example of the data that is being gathered for every department and program in the University System, with the exception of the community colleges. The example presented was that on the "Environmental Engineering and Occupational Safety, and Health; Montana Tech" (on file). The data covers a five-year program. Some campuses organize their academic programs departmentally and budget accordingly; others provide budgetary information as a function of academic program. It is anticipated that when collected this data will be extremely helpful in addressing legislative concerns of placement statistics, and in providing student/faculty ratio information. It is an enormous effort, and is also part of the data collection effort in the Commitment to Quality effort. A matrix will be provided to the Board showing the efficiency with which students move through the process.

Dr. Toppen also reviewed the data on the Occupational Safety and Health program at Montana Tech collected as part of this effort. The final page of the handout provided information on how the faculty and student numbers of the two programs changed over the five year period

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(1986-91). Collection of average of faculty and how that will impact retirements and attrition is being contemplated also for use in enrollment management and academic program planning.

Dr. Hutchinson commented this is a rather significant set of data which has been gathered with the cooperation of the campuses, encompassing every single program within the University System. It is extremely comprehensive, and will certainly allow intelligent decisions on program configurations to be made as part of the Commitment to Quality. He extended his appreciation to Dr. Toppen, Dr. Cowen, and all the campus personnel who have participated in this process.

Reports were provided to the Regents on Administrative Expenditures and Athletic Expenditures (on file) by Director of Budget and Accounting Laurie Neils. Ms. Neils explained the documents before the Board are the results of surveys made through the Operations Committee of the Commitment to Quality effort. Analysis will be made of this information to determine expenditure patterns, appropriate cost trends, and address inconsistencies. Ms. Neils cautioned that the information providing comparison with peers is based on 1989 information. A survey document is being prepared to be sent to peers to provide detail of 1991 expenditures. That should be collected within the next six months.

Ms. Neils noted the one category on which the Montana System spends more than its peers as a percentage of budget is student services. That is partially explained in the Athletic Report. Ms. Neils urged caution in looking at the figures provided in the Athletic Report. EMC, for instance, has 95% of its athletic budget funded by current unrestricted funds, but spend only \$156.00 of state dollars per student. Responding to Regents' questions, Ms. Neils explained it is

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very difficult to identify only general fund sources in the athletic budgets. No students in the Montana University System pay athletic fees; this is one of the major differences in funding in the category between the MUS and its peer institutions. Responding to Regent Topel, Ms. Neils reported there is generally consistency in the way these expenditures are reported. When OCHE staff begins its meetings with the campuses in the near future those types of questions will be addressed in more depth.

Commissioner Hutchinson stated the formal reports are now concluded. Some Regents had requested time at this point for questions and discussion.

Chairman Mathers stated because much of the information will need further digesting. He asked for comments or questions for the Board on what has been presented, and on any other discussion on the Commitment to Quality effort.

Regent Schwanke asked if the five year plan for downsizing the System adopted by the Board is realistic in the time allowed. Regent Kaze said he believed the main point to keep in mind is that it is plan. As Regent Topel stressed earlier, the plan can be revised, adjusted, or modified as facts and circumstances as they change through the campus and legislative processes. The goal has not changed; 100% of peer average funding by 1996. That is the goal on which plans will be based. Regent Kaze stated he did not believe that to be unrealistic.

Regent Topel noted that in Havre when the plan originated he believed it was made very clear that the presidents should be creative in proposing plans, and there should be no "sacred cows." The Board is looking at peer level funding, not numbers of students. Every conceivable method to reach the funding level goal should be examined, but "body

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count" is not the objective. Regent Kaze noted if in the first year of the Commitment to Quality effort funding per student is brought up one-fifth, the goal for that year is met. Maintaining quality education, not limiting access, is this Board's goal.

Chairman Mathers noted also that Montana's community college system can be utilized in a manner different that is now the case.

Statement of Representative Joe Quilici

Representative Quilici was recognized at this point. He explained he was delayed in Helena to be present at the press conference in which Governor Stephens announced his intention to not run for another term. Stating he would not plow the turf covered earlier by other members of the Butte delegation, he did have comments he wished to make on memorandum proposing cuts to the System. In addition to the traumatic effect such action would have on the students, he cautioned that cuts in numbers will lead to cuts in revenues. He asked how the Board would then pay for the \$75 million in revenue bonds for which the Regents are obligated. Cutting students results in cuts of student fees which are pledged for payment of those bonds. Representative Quilici expressed his willingness to sit down with the Board and address the problems facing the University System. The legislature and the Regents need to work together on the problems to be certain the legislature provides an appropriate amount of revenue, and the Regents spend those funds in a manner appropriate to provide the best education for Montana students.

Chairman Mathers thanked Representative Quilici for his counsel, noting he wished Representative Quilici could have been present earlier when the concerns of the Regents and the Commissioner were discussed. Again, the document in question

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was nothing but a point from which to begin discussion. It was blown out of all proportion by the press. The Regents fully intend to work with the legislature. As stated by Mr. Peoples earlier in the meeting, the people of the state, the legislature, and the Regents need to cooperate to address the many problems facing not only the System, but the State as a whole.

The meeting recessed at 12 Noon. The Regents and the Commissioner attended a luncheon/open forum sponsored by the Montana Tech students and student government officers.

NEW BUSINESS

Appeals Submission Agenda

Chief Counsel Schramm stated the issue to be decided today on the appeal of Peter Damian Hanson is whether the Board wishes to hear the appeal. The issues in this type of appeal were discussed in the report made by Dr. Schramm in yesterday's meeting in discussion of the appeals policy.

Dr. Schramm stated in this appeal the student lived in Montana, went to school at Carroll College, left Montana for employment purposes. He has returned to Montana, but now does not meet the three-year residency requirement for acceptance into the WICHE/WAMI programs. The Board has three choices: (1) to choose not to hear the appeal, in which case the original decision is upheld and the appeal denied; (2) to hear the appeal at the next meeting; or (3) grant the appeal.

Chairman Mathers asked the pleasure of the Board.

MOTION 1 Regent Rebish moved the appeal be heard at the next regularly scheduled meeting of the Board.

Chief Counsel Schramm noted for the record the appellant had obtained a waiver through the date of this meeting from the receiving institution. In the event this motion passes, it is probable that waiver could be extended.

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Regent Topel stated he did not believe a hearing was needed on this appeal. The facts are before the Board; if the Board wishes to grant the appeal, he suggested a substitute motion be made to that effect, rather than hold a full hearing.

The question was called on Regent Rebish's motion to grant the appeal. The motion failed with Regent Rebish voting yes; all other Regents voting no.

MOTION 2 Regent Rebish then moved the decision denying the appeal be overturned. The motion failed with Regent Rebish voting yes; all other Regents voted no.

With the failure of the two above motions, the decision denying the Peter Damian Hanson in-state residency for fee purposes for the WICHE/WAMI programs was upheld. This is the last administrative remedy for the appeal.

Discussion of Administrative Salary Freeze

Regent Schwanke moved the administrative salary freeze imposed by the Board of Regents at its December 1991 meeting be removed.

Regent Kaze asked if any fact occurred different from the facts before the Board when the salary freeze was imposed. Chairman Mathers responded part of the wording of the motion imposing the freeze included a statement that the freeze would be in effect "until the completion of the special session of the legislature." That session is now complete. Regent Kaze asked again if the facts have changed.

Commissioner Hutchinson responded his understanding of a major part of the Board's decision at the December meeting was the uncertainty of the future, and the possibility the System might be faced with a substantial recission requirement in the second year of the biennium. The circumstances have changed to the extent that the System now knows where it stands, and has some sense of directions that might be taken in

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the area of tuition. Whether that substantiates a change in the salary freeze is a decision of the Board.

Regent Johnson stated he felt the freeze of administrative salaries to January 31, 1992 was an extreme emergency measure. In general he believed the Board should not interfere with the prerogative of the presidents to set administrative salaries. He did not believe the freeze should be continued.

Regent Schwanke concurred, noting also any administrative salaries proposed are brought to the Board for approval, which provides opportunity for the Board to scrutinize the raises. If there are questions, they can be answered on an individual basis as they are proposed. Regent Schwanke also complemented the units on the increase of detail provided on the staff items submitted. A standard form for such submissions is being developed by OCHE staff.

The question was called on Regent Schwanke's motion to remove the administrative salary freeze now in effect. The motion carried with Regents Topel and Kaze voting no.

Regent Topel explained his "no" vote was made because the Board has not taken action on tuition increases; students have not been heard from; and the number and amount of cuts that will have to be met to meet the budget constraints are not known.

Acceptance and Approval of Montana State Plan for Vocational-Technical Education

Associate Commissioner Vardemann distributed copies of the Montana Plan for Vocational-Technical Education in accordance with the Carl D. Perkins Vocational and Applied Technology Act of 1990. She noted in March of 1991 the draft of this plan was approved by the Board of Regents. That draft plan was sent to the U. S. Department of Education. Minor

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amendments were anticipated, and did occur. The difficulty which Montana and many other states encountered in getting the state plans approved by the DOE was not anticipated. The amended plan before the Board has been approved and requires final approval of the Board of Regents. The amendments made to the draft plan in every case simply augmented and clarified information. Copies of the plan are available for anyone wishing to have one.

On motion of Regent Kaze, the Amended Montana State Plan for Vocational-Technical Education, 1991-1994, was approved.

Report and Endorsement of Two-Mill Levy for Vocational-Technical Education

Associate Commissioner Vardemann reported in the 1989 regular session of the Legislature, Senator J. D. Lynch, of Butte/Anaconda district, carried legislation to create a two-mill levy for the support and maintenance of vocational-technical education. The legislation passed both houses, and was vetoed by the Governor.

In the 1991 session, Senator Lynch carried essentially the same legislation. With some amendment, notably an increase in the amount to be directed to the research center in voc-ed of from 2% to 4%, and with the requirement that the levy be placed before the electorate at the June 1992 primarily election. The legislation (Senate Bill 384) passed both houses. Ms. Vardemann stated her purpose today is simply to apprise the Board of the actions anticipated to be taken, and to seek the Board's endorsement. Referendum 109 will be placed before the electorate in June, and imposes an annual levy of 2 mills on taxable value of all real and personal property subject to taxation in the State of Montana beginning with the tax years beginning December 31, 1992. If passed, the revenue

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generated would be allocated to the Board of Regents to be used only for the support and maintenance of postsecondary vocational-technical education. The levy affects three separate entities under the jurisdiction of the Board of Regents: (1) the five vo-tech centers; (2) the public community colleges specifically with regard to their vo-tech programs; and (3) Northern Montana College specifically with regard to the Center for Vocational Education Research, Curriculum and Personnel Development. Details of distribution of revenue is contained within SB 384 and were reviewed by Ms. Vardemann. The Attorney General has advised assuming no change in market or taxable values, the two-mill levy would raise approximately \$6,460,000 in the 1994-95 biennium.

Ms. Vardemann briefly outlined the strategy proposed to work for passage of the referendum, including involvement of appropriate persons representing the Commissioner's office, the vo-tech system, the community colleges, and Northern Montana College.

After brief discussion, the Board of Regents endorsed Referendum 109, and requested Ms. Vardemann keep the Board informed as plans progress to work towards its successful passage in June.

Statement of Kirk Lacy, President, Montana Associated Students

At Regents' request, Mr. Lacy reported students would offer their input on elimination of the half steps and flat spot at the March 1992 meeting.

Commissioner's Report

Report on Outcomes Assessments

At the Commissioner's request, Dr. Sonia Cowen, Associate Commissioner for Academic Affairs, presented a brief overview of the pressures imposed both regionally and nationally on the pressures imposed to demonstrate the

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existence of quality on the programs offered statewide. She also presented some specific responses of the Commissioner's Office and the individual campuses to the standards and tasks recently imposed by the Northwest Association of Schools and Colleges and the Joint Committee on Postsecondary Education Policy and Budget.

Dr. Hutchinson concluded the Commissioner's report by extending thanks to President Norman and Director Freebourne for the hospitality extended to the Board of Regents and all meeting participants during this meeting in the Butte community.

Campus Reports

President Daehling, President, Northern Montana College, introduced Ms. Heather Rouse, President, Associated Students of Northern Montana College. Ms. Rouse introduced two new officers of ASNMC, Pat Matthew from Big Sandy, Vice President, and Mr. David Brewer, Business Manager. The Board welcomed the two new student officers from NMC.

President Dennison, The University of Montana, distributed copies of a map of the NASA Science Internet which now connects to Montana from Stanford University. This is the direct result of a grant recently awarded from NASA to Steve Running, Professor, Department of Forestry, which makes Professor Running very much involved in the global warming project. He will be funded by NASA over the course of the next decade in an amount of nearly \$8 million for participation in this very important project.

President Malone, Montana State University, distributed copies of the midsection of the January 31, 1992, issue of USA Today. President Malone noted about one year ago two of MSU's students were elected to the top twenty All American Team selected by USA Today. In that year, Montana State and Harvard University were the first two institutions to

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have two members on that team. This year, two more MSU students (Andy Bayramian and Jan Wright) were picked from the top twenty team. President Malone stated he believed this outstanding showing by Montana students does demonstrate Montana can keep the best students in this state, and when they stay in the Montana University System, they can compete successfully with students from anywhere in the country.

The Board of Regents expressed delight in those two reports of outstanding accomplishments by both faculty and students in the Montana University System!

Student Reports

Mr. Kirk Lacy, President, MAS, reported much has occurred over the last month, with contributions made by many differing people. He took this opportunity to offer student appreciation and recognition for all of the hard work that has been done, and their appreciation for the decision made within this last month. He first thanked members of the Board for having the courage to postpone implementation of the tuition surcharge and allow the legislature opportunity to hear student concerns. Second, he wished to publicly state students' appreciation to members of the legislature, specifically the Democratic majority of both houses who worked extremely hard over two and one-half weeks to protect the higher education system. Third, he thanked the Regents for rescinding the tuition surcharge by yesterday's action. He stated students will certainly appreciate not being billed for that surcharge, but Mr. Lacy stated he wished they could all be made aware of the work and effort that went into making that final decision.

Finally, Mr. Lacy expressed appreciation to the Commissioner and his staff who worked extremely hard during the Special Session in keeping the legislature informed, and in dealing with a variety of misconceptions about the System that

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arose during that session. In addition, he thanked OCHE staff for keeping students actively involved, and coordinating their efforts. Mr. Lacy stated Commissioner Hutchinson has done an outstanding job in the two years he has worked with him, making very special efforts to keep students involved in the process. It is appreciated.

Chairman Mathers asked if there was any other business to come before the Board, or comments from members of the audience.

Hearing none, the meeting was adjourned at 1:40 p.m. The Board of Regents reconvened immediately in a brief executive session.

The next regularly scheduled meeting of the Board of Regents will be held on March 19-20, 1992, in Helena, Montana.