

BOARD OF REGENTS  
Special Call Meeting  
July 1, 1992

Agenda

1. Roll Call
2. Review of the Executive Recommendation for the Special Session
3. Discussion of short-term possibilities for response
4. Discussion of long-term measures
5. Special instructions from the Board on positions during the Special Session
6. Adjourn

MINUTES OF SPECIAL CALL MEETING  
BOARD OF REGENTS OF HIGHER EDUCATION  
MONTANA UNIVERSITY SYSTEM

DATE: July 1, 1992  
TIME: 10:00 a. m.  
LOCATION: Department of Transportation Auditorium  
2701 Prospect  
Helena, Montana  
REGENTS PRESENT: Chairman Mathers; Regents Kaze; Johnson;  
Schwanke; Topel; Boylan; Belcher  
Commissioner of Higher Education John M.  
Hutchinson  
REGENTS ABSENT: None

Chairman Mathers called the special call meeting to order at 10:00 a.m. Roll call was taken and it was determined a quorum was present.

Chairman Mathers stated the purpose of the special call meeting was to conduct a planning session in preparation for the Special Session of the Legislature which will convene on July 6, 1992.

Chairman Mathers stated it had been requested that a report be made on yesterday's Regents/Legislative Committee on Postsecondary Education and Budget. Regent members on that Committee are Regents Kaze and Topel.

Regent Kaze reported from his perspective it was a conversation more than a meeting, to summarize what had occurred since the last meeting. Very brief discussion was held on the difficulty the University System would have in responding to any additional revenue recission in a special session. Regent Kaze noted he expressed a personal opinion, which unfortunately was reported in the press as a Regents' decision, that he was not prepared at this time to consider additional tuition raises for this fall or mid-term. That was

Special Call Meeting  
July 1, 1992

also Regent Topel's position. Regent Kaze stressed that the remarks made by him, and by Regent Topel, in the Committee meeting were clearly prefaced by a statement that the remarks were personal opinions only, and did not represent the position of the Board of Regents which had not yet had an opportunity to meet or discuss the issues.

Review of the Executive Recommendation for the Special Session

Commissioner Hutchinson distributed and reviewed two documents:

"Montana University System Proposed Reductions; Governor's Executive Budget; July 1992 Special Session" (on file) was reviewed by the Commissioner. The document presents the allocation of the \$7,026,890 of general fund operational budget reductions for each campus and agency within the System; what percentage of general fund goes to each of those agencies; and the percent of FY 93 general fund reduction that would be required to meet the Governor's recommended reduction. Commissioner Hutchinson also explained two other targets identified in the Executive budget as part of the System's recission would be the budget amended tuition dollars collected. On this schedule those are arrayed against the campuses that have collected the additional tuitions, now distributed to all agencies. The rationale is that the Governor's budget is saying the additional tuitions collected are additional monies that can be used to offset the recission, with no obligation against those dollars to educate the additional students. While the System believes that argument to be fallacious, it is shown this way on this schedule to illustrate the Executive plan.

Commissioner Hutchinson explained the additional reductions shown against each campus and agency are the monies the System would realize through reduction of the half-steps

Special Call Meeting  
July 1, 1992

and flat spots. Those funds were intended to be used to help fund the pay plan, which was not fully funded by the 52nd Legislature.

Commissioner Hutchinson noted on this schedule the general fund reduction to the System totals \$12,444,718. In addition, the planning funds for the MSU and UM long range building projects are removed by the Executive recommendation, bringing the total reduction to the System to approximately \$14 million.

Next Commissioner Hutchinson reviewed the second schedule distributed titled "Governor's Executive Budget; Proposed Reductions for FY 93 General Fund Operating Budgets" (on file). This document portrays the logic utilized by the Governor's Budget Office to determine the \$7.02 million the System is obligated to reduce from its general fund operating budget. The logic flaw is the listing of the January 1992 Special Session actions showing only the cuts for the six senior institutions, but subtracting all tuitions throughout the System. That logic is considered erroneous, but produces the balance the Executive Branch believes is due from the System - the difference between 2.69% and 8%. Also, the Executive Branch allowed some credit to other state agencies for the underfunded pay plan, but not to the University System. The Commissioner noted using correct logic and fair application of principals it is possible to reduce the \$7 million down to \$4 million. That argument needs to be made.

Commissioner Hutchinson concluded his review noting the final line on the schedule simply shows the cut to the System proposed by the Governor without the tuition being applied - the "naked, raw general fund cut" higher education has taken, plus the underfunded pay plan, plus the vacancy savings. Presented in this way, the System has already taken a

Special Call Meeting  
July 1, 1992

cut that exceeds 8%. The opportunity has been given to add some tuition in to off-set that cut, but looking at straight general fund cuts to the System, the percentage already exceeds that recommended by the Executive.

Staff responded to Regents' questions on the schedules.

Discussion of short-term possibilities for response

Next Chairman Mathers called for comments from the presidents on how the proposed recission might be responded to by the units.

President Dennison, The University of Montana, distributed and reviewed a document titled "The University of Montana FY 93 Recission" (on file) which presents various scenarios that might be utilized to meet the recission. He cautioned the scenarios are completely hypothetical, but show various things the University could do, each carrying a certain amount of pain. Concluding, President Dennison noted any of the scenarios could be implemented if so recommended by the Board, but the University is of course very much interested in pulling back to Scenario A or B.

President Dennison responded to Regents' questions on various aspects of the scenarios, including the number of sections that would be reduced under certain scenarios, utility savings, operations reductions, hiring freezes and furloughs.

Regent Topel asked if there were no tuition increases, where would the University pick up the \$700,000 in operating reductions. Dr. Dennison responded it would be forced into operating reductions and furloughs, or additional sections reduced. He added already the downward spiral will begin; if the sections are not available the tuition won't be realized.

Next Dr. Dennison reviewed a document titled "The University of Montana General Fund Recissions 6/29/92" (on file). The analysis documented the effects of the differences

Special Call Meeting  
July 1, 1992

between the FY 92 appropriation and the FY 92 Actual; the FY 92 Recission; the projected FY 92 Executive recission, and similar projections for FY 1993. The analysis provides clear documentation that these changes lead to ever-decreasing percent of funding in relation to peer institutions. Also, using these projections, 41% to 42% of the costs of education will be paid by the students because of the decreased contribution of general fund dollars for their education costs.

After responding to Regents' questions, Dr. Dennison noted he has indicated he is very, very reluctant to consider a tuition increase for the same reasons mentioned earlier by Regents Kaze and Topel. A significant tuition increase for both residents non-residents has been imposed. Significant increases in fees have already been implemented. It is painful to suggest that be done again; that would be the last solution endorsed.

President Malone, Montana State University, made a similar presentation. The cuts on MSU proper equal about \$3.5 million, and those were elaborated on by President Malone. Closures would occur at both the agencies, Agricultural Experiment Station and Cooperative Extension Service. Looking back at the campus, he concurred with President Dennison it would be very difficult to raise tuition, particularly out-of-state. Most faculty and students are off campus in the summer, and this would further complicate matters. Another key factor is that cuts already experienced at MSU amount to approximately \$1.2 million for FY 93. About 60% of the budget at MSU is locked into long-term salaries. The same situation exists in the athletic budget because of the year-long contract professionals. The two Montana universities are the only units in the Big Sky Conference not having an athletic fee. If implementation of such a fee was considered,

**Special Call Meeting  
July 1, 1992**

it would be simply another tuition increase because when the checks are written for costs of education it would be inseparable from tuition at large.

President Malone reviewed the areas that would be susceptible, including deferred maintenance, operations, section reductions, hiring and travel freeze and other similar to those on the handout distributed by President Dennison. All have been carved on repeatedly and there is little left in flexible money. Libraries, and surpluses in designated accounts were reviewed. Speaking to the planning funds for the new building, President Malone stated this project is not thought of on campus as a new building, but as a replacement of an arcane building. The Ryon Laboratory is defunct and not susceptible to remodel. If there is a delay the campus could live with that, but a key factor in the accreditation visit last fall was replacement of the outdated facility with a new building. Engineering accreditation is closely bound to the new building. Nearly half of the \$2.2 million MSU was told to raise for this facility has been raised or pledged. Sending back checks to major corporations who are making pledges is pretty damaging to both MSU and the State.

President Malone concluded he believed the System should be thinking long-term. While the System has to get through the coming year, MSU is strongly pledged to a System-wide approach to meet this newest recession, reviewing everything across the System, not by individual campuses.

President Carpenter, Eastern Montana College, spoke to the reductions already experienced at EMC, and the difficulties that campus would experience in meeting the current recession, all of which are similar to those expressed above.

President Norman, Montana Tech, touched on those areas at Tech that were slightly different than the other campuses

Special Call Meeting  
July 1, 1992

because its budget is composed of the highest level of general fund of any of the senior institutions. Therefore, its proportional cut is also the highest. He spoke also to the negative effect such discussions have on students who might have been planning to attend Montana Tech or other units in the System. He wished the record to reflect that if Tech has to reduce its operating budget by anything like the amount proposed, Montana Tech does support seeking some relief from a tuition increase. Such a reduction would certainly impact Tech's ABET accreditation, operations would have to be cut 10%, section reductions would occur with the adjunct pool reduced by one-third. This will of course impact graduation rates and through put.

President Daehling, Northern Montana College, spoke to some of the differences at NMC. He spoke particularly to the dollars received (\$300,000) from the last legislative session to help fund the operation of the Great Falls Center. Removing those tuition dollars would cause the campus to seriously question if it should have any outreach program at all. Approximately 75% of NMC's budget is allocated to personnel costs. There is little flexibility in other funds to meet the proposed recission. The areas impacted at NMC would be similar to those reported earlier by the other presidents.

Provost Michael Easton, Western Montana College of The University of Montana, noted WMC's proposed reduction, factoring in the tuitions, is about 10% of the current level budget. As others have said, very little depth or flexibility exists on such a small campus. At this time of year the campus has few options from which to make cuts for the reasons stated by the other units. One that would have to be considered, as at all campuses, is the adjunct pool with the resulting reduction in sections. Tuition increases would probably have to be considered if a cut of this magnitude occurs at any of the units.



Special Call Meeting  
July 1, 1992

At the conclusion of the presentation by the presidents of the senior institutions, similar presentations were made by the five vocational-technical center directors, and the three community college presidents. The FY93 general fund reduction for each of those institutions, if the Governor's special session budget is adopted, is contained on the schedule discussed earlier by the Commissioner. All would experience the same difficulties in meeting those recession amounts that would be experienced by the senior institutions, and all face similar obstacles because of contract professionals, notice requirements, and budget reductions already experienced from the original appropriations on which budgets were based for FY 92-93.

Commissioner Hutchinson reported the OCHE is scheduled to face a \$394,000 reduction in budget, according to the Governor's proposal. Approximately 84% of OCHE funds are locked in in personnel, rent, contracted service, utilities, etc. Obviously a reduction of operations in that amount has a tremendous impact. There are only approximately six classified employees in the office; a cut of this magnitude could not be assumed entirely in the administration portion of the budget. The office would have to go into the student assistance area; moving into that side of the budget is a pretty serious policy move, but would have to be considered.

In response to a question from Regent Kaze, Commissioner Hutchinson reported the funds in student assistance would include WICHE, WAMI, state work-study, SSIG, SEOG - those kinds of funds. It was also reported many of those funds are state matching and receive an equal or greater amount of federal dollars. Reduction of those funds would seriously impact student assistance. It was noted the vast majority of the \$6 million plus dollars listed on the schedule

**Special Call Meeting  
July 1, 1992**

plus dollars listed on the schedule under "CHE" is student assistance money; the office administration budget for OCHE is nearer \$1 million. Also included in the \$6 million figure is the amount for the vo-tech centers bond payments.

Regent Johnson then clarified, stating if the OCHE was eliminated, there would be only about a \$1 million savings, not the \$6 million plus listed on the schedule.

Commissioner Hutchinson explained the Chairman of the Board requested a series of long-term bold solutions should be brought to this meeting which the Board of Regents ought to be considering if the current funding proposal is executed. If the System in fact experiences the reductions proposed in the Governor's executive budget prepared for the July 1992 Special Session of the Legislature, the System absolutely can not continue business as usual, and that must be clearly understood by all.

Dr. Hutchinson noted the System is now involved in a Commitment to Quality program that is attempting to bring Montana's System into alignment with its peer institutions. That becomes flimsy and limited with the kinds of cuts proposed by the Executive branch.

Dr. Hutchinson then distributed and reviewed the following:

**POSSIBLE LONG-TERM SOLUTIONS TO THE  
FUNDING PROBLEMS FACING HIGHER EDUCATION**

If the public post-secondary education community is forced to take another general fund cut approximating \$14 million, serious long-term solutions must be considered. The following possibilities are offered for discussion.

1. **Institutional Closure:** Given the current funding problems, institutional closure can no longer be considered an unthinkable option. Significant savings cannot be expected over the short term. If enrollment

Special Call Meeting  
July 1, 1992

caps are maintained at other institutions, if bond payments can be secured, if appropriate termination packages can be developed, etc., then over the long-term, money can be saved through closure.

2. Institutional Merger: Montana's only merger experience would suggest that little money can be saved with such an approach. However, mergers can be structured with an eye toward much more significant savings than we have observed with the UM/WMCUM union. Reduced administrative costs, elimination of duplicated services, etc., can be required of the merging campuses. Again, savings are not realized in the short term.

3. Academic Program Elimination: It will be possible to save some money by discontinuing programs with unacceptably low enrollments and graduation rates, as well as programs with large non-resident enrollments coupled with high out-of-state placements.

4. Reduction/Elimination of Intercollegiate Athletics: In this case, the options range from elimination of intercollegiate athletics, reduction or elimination of general fund support for athletics, and/or dropping to lower divisions.

5. Reconfiguration of Existing Campuses as Junior College or Community Colleges: Simply reducing senior institutions to junior colleges may not save a great deal of money. Some reductions in faculty costs, library expenditures, and equipment support may be possible. Asking communities to help share the burden would save significant general fund monies. Certain programs may have to be assumed by other institutions.

6. Centralized Admissions and Student Records Management: Centralizing the processing of undergraduate admissions in the Commissioner's Office could result in staff reductions on campus. This would facilitate student enrollment management from a System perspective. Systemwide student records management is another possibility which would result in reduced campus staffs. Other activities currently decentralized such as student aid could also be assumed by a single central office. Of course, there would be a larger staff in the Central Office.

Special Call Meeting  
July 1, 1992

7. Analysis of Fund Balances Now in Designated Accounts: Currently campuses have collected student fees for various purposes and placed them in designated accounts. If excess balances exist, they could be made available for relief of that portion of the recession required of higher education.

8. Reduction/Elimination of General Fund Public Service Support: Public service offerings by the Montana University System greatly enrich the citizenry of the State. However, such offerings are often not central to the academic mission of the campus and, therefore, could be recession targets.

9. Reduction/Elimination of Off-Campus Instructional Programs: A number of off-campus programs have been developed to respond to local educational needs. This is an important effort on the part of the Montana University System but may have to be sacrificed in times of fiscal hardship.

10. Cessation of Recruiting: If the Montana University System establishes enrollment limits, so long as access pressure remains high, recruiting activities become less critical.

11. Reduction/Elimination of Fee Waivers: The Montana University System has made available a large number and variety of fee waivers. These could be substantially reduced or eliminated and the monies redeployed.

12. Defined Minimum Teaching Loads for Faculty: Currently faculty teaching loads are established on the campuses. Establishing minimum standards (e.g. 9 or 12 credits per semester) would impact upon campus research efforts. Mechanisms to enable faculty to use grant funds to obtain reassigned time to conduct research would have to be implemented.

Commissioner Hutchinson reported these are a series of proposals finished only this morning, and are for the Board's consideration if the recession proposed is enacted. No dollar figures are attached, nor are any specifics. They are offered only in the generic sense. Dr. Hutchinson stated it is terribly important that everyone in the room understand,

Special Call Meeting  
July 1, 1992

including the press, that these are NOT a set of recommendations out of the Commissioner's office. They are merely possibilities the Board can consider. In fact, some in the Commissioner's office consider some of these relatively bad ideas. They are presented so the Board has before it a full array of possibilities.

Regent Johnson added in the same vein, and not something he would put forth as a recommendation, discussion should also occur on what long-term effect might occur if the Board of Regents and the OCHE were eliminated. This has been raised in the press and elsewhere, and should be part of this public long-range discussion.

President Dennison stated that in light of his earlier presentation on the tuition component of support of higher education in Montana, the Board might also wish to look at what other states are doing in the area of privatization, where the general fund is limited to a voucher system for students. The student has a certain contribution, and takes it to whatever institution the student wishes. President Dennison stated it is not something he would recommend, but given the trend in Montana, it deserves examination.

Commissioner Hutchinson noted in the case of Virginia, the situation is so extreme there has actually been a proposal that the state merely maintain the buildings and the infrastructure. The rest is handled in the fashion of a private institution.

Regent Schwanke commented Montana is not maintaining its institutions now. He asked what would be gained by such a change. Regent Johnson concurred that Montana's legislature is turning the public system of higher education into a private system because of the continual increase in cost passed on to the students.

Special Call Meeting  
July 1, 1992

Following a one hour break for lunch, the meeting resumed.

Chairman Mathers called for comments from the students. No student representatives were present at this time.

Chairman Mathers then stated it should be pointed out the Board does not intend to make decisions today on any particular direction. This is an information gathering session. Definite actions will not be determined until the Board's regular meeting the end of this month (July 1992).

Chairman Mathers then called for discussion and recommendations from Board members.

Regent Kaze asked that copies of the "Issues in Higher Education" report prepared by then-Commissioner of Higher Education Carrol Krause be sent to all Regent members. Many of the proposals before the Board today are covered extensively in that report, and while the report was issued in 1986, much of the information is still relevant. Regent Kaze noted his point in bringing this forward and requesting the report be redistributed is that the Board failed in 1986 to make the very difficult decisions that in retrospect now may have made a difference in where the System is today. OCHE staff was instructed to send the report.

Regent Topel stated he would like to recommend that when the campuses make their analyses of what cuts have to be made, and what options are available, for planning purposes he would like the units to assume the worst case scenario, i.e., that there will be no tuition increase. Chairman Mathers asked if any members on the Board objected to this suggestion. Hearing none, the campuses were so instructed.

Chairman Mathers asked that information be brought to the Board on what would be saved if the schools of education were closed at UM and MSU, leaving teacher education only at

Special Call Meeting  
July 1, 1992

EMC, NMC, and WMC. UM's graduate program in education would be retained. He suggested also that duplication of business offerings also be examined.

The Chairman's suggestions were discussed. Regent Johnson concurred that duplication of degree programs should be examined. It should be determined if real savings would be realized if changes were made. The public continues to question the issue of duplication particularly in teacher ed and business.

President Malone noted those were exactly the types of issues he was suggesting when he earlier suggested a Systemwide approach to methods of dealing with budget shortfalls. Problems with closing such programs and consolidating them on a single campus were pointed out and discussed. It might be that all students would not be allowed to transfer to that single campus because of lack of capacity. Though not the intent, downsizing might be the by-product of elimination of duplication. It was also stated by Regents that in the face of the continual cuts to the general fund appropriation, the System may see a complete restructure in the coming years.

Regent Kaze stated in general he agreed with the comments on restructure. However, he did believe two items in particular on the list of possible long-term solutions were ultimately beyond the ability of the Board of Regents to accomplish. Those were: (1) institutional closure, and (2) elimination of athletics. To do those would require a broad supportive constituency, not the least of whom are legislators, governors, and citizens of the affected communities. Mergers, consolidations, reconfigurations, etc., are probably not out of the realm of possibility. Though all would need the broad base of support, they would not require the support that elimination of athletics and institutional closures would require.

Special Call Meeting  
July 1, 1992

Further discussion was held, particularly on the need for examination of the method of funding athletics on the various campuses. Regent Topel agreed if elimination of athletics and institutional closure are to be discussed, they do need broad based support. On the other hand, at the least this Board should make a decision if those two issues should be examined. Nothing will happen on those two issues by legislative mandate. An analysis and recommendation will have to be made; then support will have to be garnered for the recommended course of action.

Chief Counsel Schramm was asked if the Board of Regents had authority to close institutions. He responded nationwide there isn't much of a track record. Very few Boards that have the broad constitutional authority the Montana Board of Regents has have actually closed institutions that resulted in litigation. A fair case could be made that the Montana Regents have that authority. In the Commissioner's office, the argument of legal authority has been deemed less relevant than what would occur if the Regents took that action in the face of broad public criticism. The backlash could be so severe that it would be considered an authority the Regents would not wish to exercise.

Chairman Mathers then asked about the legal ramifications if a campus were changed from a four-year to a two-year institution. Dr. Schramm responded obviously if the Regents have authority to close a campus, they have authority to do anything less. If that authority to close does not exist, certainly the authority to broaden or restrict missions does exist. Whether an institution's degree granting authority could be changed goes to the issue of whether or not, when the constitution was formed, the delegates had the intent to freeze the System as it was at that moment so those six campuses



Special Call Meeting  
July 1, 1992

somehow themselves have constitutional status not only as a campus, but as a four-year campus. There is some argument there was such intent. As the change becomes less drastic, the argument the Board of Regents could make those changes becomes stronger. Dr. Schramm stated he could not positively answer such questions, however, without considerable further research.

Brief discussion was held also on the differences in Montana of the laws governing establishment of community colleges, and the laws relevant to Montana's four year institutions. Montana's community colleges, with their mix of state and local support, are legislative creations with a statutory framework, and beyond the Regents' authority to create.

Regent Kaze stated some of these issues are exactly the reason he made the comments he made. He wanted everyone present to be clear that when institutional closure, or changes in support of athletics, are proposed it is not done in a vacuum. That is why careful study and thought of the legal issues must be made, as well as careful study of and thought given to every community that would be affected, and how, if such action is deemed necessary, community support can be engendered.

Serious study should also occur on whether the two universities can or should continue in Division I in the Big Sky Conference. It was argued the study should be a System effort; a great deal of review needs to be made before the System starts down that road to determine first of all whether it wants to go down that road. Regent Topel reiterated his strong belief the System can not go forward with its present plans on Commitment to Quality or any other effort without incorporating an examination of where the System wants to be in relation to athletics.

Special Call Meeting  
July 1, 1992

Arguments were put forward by President Dennison to wait to begin the analysis of athletics until the study now under way by the Big Sky Conference on cost containment and other issues is completed. Regent Topel stated he did not believe that would be the same analysis. He believed the study the System should conduct is that of what role athletics should play in the Montana University System. Those fundamental issues - what is the role of athletics, how much can the System afford, etc., need answered. The answers for the two universities in Montana may be quite different than the answer for Boise State.

After considerable more discussion, Commissioner Hutchinson stated the decision was made at the last regular meeting of the Board of Regents to defer any action on analysis of athletics until after the Special Session of the Legislature. Not much has occurred to change the urgency in that regard. He suggested two things: (1) wait until the Special Legislative Session is completed and the actual effects are known, and (2) have the product of the analysis being done by the Big Sky Conference. It might be appropriate then to spin off those two events and create a committee to determine what the Montana System wishes to do.

Regent Topel was not comfortable with that suggestion. He felt as the Board goes forward with downsizing it needs an examination of the role of athletics and a determination of needs to be made at what level athletics can continue to be supported. He did not wish to wait until October for that information when decisions on downsizing are to be made no later than December 1992.

Chairman Mathers stated then that the Commissioner and OCHE staff develop a proposed membership slate of a committee and a charge to that committee to bring to the Board at its

Special Call Meeting  
July 1, 1992

July 30-31, 1992 meeting to study the athletic issues. Regent Topel stated he was willing to wait until the end of this month to find out exactly how the committee would function, but he wanted a decision at this time on whether athletics were or were not going to be studied to determine its future role in the Montana University System. The Board concurred that such a study would be undertaken and would include the two universities and the four colleges. The proposed committee membership and the charge will be brought forward to the July 1992 meeting.

The specter of another study of duplication within the System was again raised. Regent Kaze stated he did not disagree that the issues of duplication, especially in specifically identified areas, should be under consideration. However, Regent Kaze said he hesitated to engage in another whole duplication study. That has been done probably four times just in the time he has been on the Board. Regent Kaze repeated he had commended reading of the Krause report; he commended it again. That report has an excellent review of duplication and the Board has not eliminated the duplication reported on in that report so all the background information is available. In addition, Commissioner Hutchinson has issued at least one report on duplication as Deputy Commissioner, and another as Commissioner to the Legislative Committee both Regents Kaze and Topel serve on. Regent Kaze stated he did not wish to become embroiled in all that again.

Commissioner Hutchinson stated his understanding of the feeling behind Regent Kaze's comments. He believed the major duplications within the System are in the areas of education and business. Those two areas could be examined; if the Board wished to give specific direction for study of other areas of duplication that would certainly be possible also. However,

Special Call Meeting  
July 1, 1992

Commissioner Hutchinson noted once the Board goes beyond the two areas of education and business the cost savings will fall off rather significantly. In addition, the Regents/Legislative Committee is undertaking a report on duplication in the System to present to the 1993 Legislative Session.

President Carpenter asked for clarification. He referenced the list of long-term solutions to the funding problems facing higher education distributed today. In addition, the System is deeply involved in its Commitment to Quality effort. President Carpenter asked where these two crossed; how can the System move forward in a parallel fashion with these two efforts. Chairman Mathers noted he had the same question.

Commissioner Hutchinson responded he did not believe that decision could be made at this point. The System is probably looking at a fork in the road. If the final hit on higher education in the up-coming special session is on the small side, an effort should be made to continue the System's efforts on Commitment to Quality. Some aspects of that plan make a great deal of sense even if the System received an influx of new funds. In the event the hit is toward the high side, then the list of long-term solutions will have to come into play with the hope some of the Commitment to Quality efforts can be salvaged.

Regent Kaze said he was not certain he agreed. First, the C to Q effort is three years into the process now. It contains recommendations far less drastic than those presented today. Regent Kaze said his sense was that if the C to Q process is now ignored all efforts will be channeled into drastic solutions and what the Commitment to Quality plan really is will be forgotten. It is a matter of depth. If the System is not faced with huge budget cuts, then C to Q is on

Special Call Meeting  
July 1, 1992

track. That process should not be abandoned. The enrollment cap issue and the studies mandated in that effort should go forward. The System should be prepared for additional public hearings in the fall, and decisions should be made in December 1992 in preparation for the 1993 Legislative Session.

Commissioner Hutchinson said he believed both were saying the same thing. Regent Schwanke concurred, but added some necessary changes may have to be made to keep the System afloat without abandoning its goals.

Responding to other questions on the issue of C to Q versus closure of institutions, Regent Topel stated at this time Commitment to Quality assumes all institutions will remain open and points the direction those institutions should take. It is conceivable if the System's long-term funding problems become more severe closure may need to be considered. In the meantime, no closure decisions have been made, and no conflict exists. There is a reasonable mesh.

President Norman commented. He stated from the beginning of the Commitment to Quality effort the fundamental, number one assumption was that the System was dealing with a constant resource base that needed to be redistributed in a way that would assure long term quality within the System. That assumption very likely will be torpedoed. At that point, agreeing with comments of the Commissioner and President Carpenter, President Lindsay stated he believed Commitment to Quality would have to be revisited.

Commissioner Hutchinson reiterated - there are elements of C to Q that are likely to be adopted regardless of the outcome of the Special Session. President Norman is also probably correct that it will have to be revisited. For instance, if it is determined an institution has to be closed, then the issue of enrollment caps at the other institutions

Special Call Meeting  
July 1, 1992

needs to be reexamined. Dr. Hutchinson stated he did not believe Commitment to Quality could be subsumed by whatever next step the System might take, but a good chunk of it might be. Regent Kaze statement that it is a matter of depth is a good analogy.

Regent Topel responded to President Norman's comments. He stated he had no doubt President Norman was correct that when the C to Q effort was begun it was based on the assumption funding would stay the same subject to inflationary adjustments. Unfortunately, it is probably accurate to say that is no longer the case and the System will probably end up with fewer rather than more dollars. However, Regent Topel believed in that case it needs to be determined what adjustments need to be made in enrollment caps; what if any adjustments should be made to the Board's goals. You do not start over; you fine-tune and make adjustments.

President Kettner, Miles Community College, briefly discussed plans that were submitted in 1976, 1980, and 1986 to the Commissioner's Office and to legislators on a redistricting of two-year institutions in Montana. A very good study was submitted based on high school populations, taxable evaluations, and populations leading to creation of eight two year districts in the State. That study should probably be unearthed and at the least reviewed.

Regent Kaze spoke to the institutional merger concept proposed as one of the possible long-term solutions. He asked if only four-year institutions were being considered for merger. The view of institutional merger and its impact or lack of impact on the general fund could be looked at in the context of two-year institutions as well. Commissioner Hutchinson concurred. There could even be program or college mergers cutting across institutional boundaries.

Special Call Meeting  
July 1, 1992

Special instructions from the Board on positions during the  
Special Session

Commissioner Hutchinson briefly outlined the schedule and format for presentations to the Education Subcommittee on July 9, 1992.

Regent Topel spoke to the Board's position on testimony on revenue issues. He asked on behalf of the full Board that neither the Commissioner nor any other System representative testify in favor or against any revenue bill in the special session. The obligation of the Board of Regents is to inform the Legislature what is needed to run the System efficiently. It is the obligation of the Legislature to determine how that funding will be obtained.

MOTION: Regent Topel's directive was discussed. Hearing no objection from the Board Regent Topel moved that neither the Commissioner, members of Commissioner's staff, nor any employee of the Montana University System lobby or testify on behalf of the System in support of or opposition to any revenue bill before the Legislature.

Clarification was sought on exactly who was covered by the motion. Chief Counsel Schramm stated he believed it was implicit in the motion that it was intended for those speaking on behalf of the System or the individual unit. The Board's authority would not go beyond that to members of unions, etc.

Commissioner Hutchinson stated he believed it was also implicit in the motion there might be times when information would have to be provided in a neutral fashion on a particular revenue measure, such as the impact such a measure might have on the System. It was his understanding the Board did not intend to prohibit OCHE or the units from providing information. Regent Topel concurred with that understanding.

The question was called on Regent Topel's motion: The motion carried unanimously.

Special Call Meeting  
July 1, 1992

### Introduction

President Malone introduced Dr. Barry Jacobsen, former department head of plant pathology at Auburn University, now Dean of the College of Agriculture at Montana State University. Dr. Jacobsen was welcomed to the System and to MSU by the members of the Board, staff, and meeting attendees.

### Student Presentation

Student government representatives spoke to the Board on the difficulty of bringing to the Board students' reactions to issues such as those discussed in today's meeting when most of the students are off-campus for the summer. As these comments are made, they asked the Board to realize they are not brought forward with full student representation.

Students are extremely concerned with the cutbacks proposed. Students are opposed to any additional tuition increase, and against cutbacks of programs.

Hearing no further business to come before the Board, the meeting adjourned at 2:30 p.m.

The next regularly scheduled meeting of the Board of Regents will be held on July 30-31, 1992, in Helena, Montana.

2007



Special Case  
July 1, 1951

Introduction

From time to time, the Board of Directors of the University of Wisconsin has been called upon to consider the question of the University's financial position. The Board has always been aware of the fact that the University is a non-profit institution and that its primary concern is the welfare of the State of Wisconsin. It is the policy of the Board to maintain the University's financial position in such a way that it can continue to provide the highest quality of education for the people of Wisconsin.

Financial Statement

The Board has always been aware of the fact that the University's financial position is a matter of public concern. It is the policy of the Board to make the University's financial statements available to the public. The Board has always been aware of the fact that the University's financial statements are a reflection of the University's financial position and that they are a measure of the University's financial health. The Board has always been aware of the fact that the University's financial statements are a reflection of the University's financial position and that they are a measure of the University's financial health.

The Board has always been aware of the fact that the University's financial position is a matter of public concern. It is the policy of the Board to make the University's financial statements available to the public. The Board has always been aware of the fact that the University's financial statements are a reflection of the University's financial position and that they are a measure of the University's financial health. The Board has always been aware of the fact that the University's financial statements are a reflection of the University's financial position and that they are a measure of the University's financial health.

The Board has always been aware of the fact that the University's financial position is a matter of public concern. It is the policy of the Board to make the University's financial statements available to the public. The Board has always been aware of the fact that the University's financial statements are a reflection of the University's financial position and that they are a measure of the University's financial health. The Board has always been aware of the fact that the University's financial statements are a reflection of the University's financial position and that they are a measure of the University's financial health.