

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

DATE: July 30-31, 1992

LOCATION: Conference Room
Montana Higher Education Building
2500 Broadway
Helena, Montana

REGENTS Chairman Mathers; Regents Kaze, Boylan, Johnson,
Topel, Belcher, Schwanke

PRESENT: 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, July 30, 1992

Chairman Mathers called the regular meeting of the Board of Regents to order at 1:00 p.m. Roll call was taken and it was determined a quorum was present.

Chairman Mathers called for additions or corrections to the minutes of the previous meetings as listed on the agenda. Hearing none, on motion of Regent Johnson, the minutes of the April 30-May 1, 1992 meeting; the June 3, 1992 Special Call Meeting; and the July 1, 1992 Special Call Meeting were approved, with Regent Topel abstaining.

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CONSENT AGENDA

Brief discussion was held for clarification on some of the staff items on today's Consent Agenda. President Dennison noted a correction should be made on page 7 of The University of Montana staff item. The listing for Dr. Don O. Loftsgaarden, Salary & AY/FY listing should be corrected to read that his 1993 salary will be "FY" rather than "AY" as listed. Without objection that correction was made.

President Daehling, Northern Montana College, requested the following corrections be made to the NMC staff item. On page 2, the title of Jason Liles' position should be changed to read "Head Wrestling Coach/Assistant Professor in Education. On page 3, Janet M. Trethewey's title should be corrected to Athletic Trainer/Assistant Professor of Education; the salary and FTE information supplied for Melissa A. Stilger should be changed to read "From .83 FTE to 1.00 FTE. Ms. Stilger's salary should be corrected to read "From \$22,000 AY, to \$27,737 FY.

Hearing no other discussion or corrections, on motion of Regent Belcher, the following items on the Consent Agenda were approved with the above corrections requested, and with the understanding that the Consent Agenda Items relating to contract professionals and administrators deferred at the June 1992 meeting listed for action on tomorrow's agenda remain deferred, with Regent Topel abstaining:

- Item 76-100-R0792, Staff, The University of Montana
(Includes 1 post-retirement contract)
- Item 76-200-R0792, Staff; Montana State University
- Item 76-201-R0792, Retirement of Dr. Robert H. Figgins,
Associate Professor, English; Montana State
University
- Item 76-202-R0792, Retirement of Dr. Robert W. Morrison,
Associate Professor, English; Montana State
University

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- Item 76-203-R0792, Retirement of Dr. Henry L. Parsons, Dean, Graduate Studies; Montana State University
- Item 76-204-R0792, Retirement of Dr. James M. Pickett, Professor; Biology; Montana State University
- Item 76-205-R0792, Retirement of Dr. John E. "Jack" Taylor, Professor; Animal & Range Sciences; Montana State University
- Item 76-206-R0792, Post-Retirement Contract; Max L. Amberson, Professor Emeritus; Ag and Tech Education; Montana State University
- Item 76-207-R0792, Post-Retirement Contract; Edward L. Hanson; Associate Dean of Students; Montana State University
- Item 76-300-R0792, Staff; Agricultural Experiment Station
- Item 76-301-R0792, Retirement of Dr. Joseph M. Caprio; Professor, Plant and Soil Science; Agricultural Experiment Station
- Item 76-302-R0792, Post Retirement Contract; Joseph M. Caprio; Professor Emeritus, Plant and Soil Science; Agricultural Experiment Station
- Item 76-303-R0792, Post Retirement Contract; Richard E. Lund; AES Director's Office; Agricultural Experiment Station
- Item 76-400-R0792, Staff; Cooperative Extension Service
- Item 76-402-R0792, Retirement of Donald E. Baldrige, Professor; Cooperative Extension Service
- Item 76-500-R0792, Staff; Montana College of Mineral Science and Technology
- Item 76-500A-R0792, Staff; Montana Bureau of Mines & Geology
- Item 76-600-R0792, Staff; Western Montana College of The University of Montana
- Item 76-700-R0792, Staff; Eastern Montana College
- Item 76-710-R0792, Degrees; Eastern Montana College (On the recommendation of the Faculty, June 1992)
- Item 76-800-R0792, Staff; Northern Montana College (As amended; see above)
- Item 76-810-R0792, Degrees; Northern Montana College; (On the recommendation of the Faculty, May 1992)
- Item 76-8000-R0792, Staff; Butte Vocational-Technical Center
- Item 76-9000-R0792, Staff; Helena Vocational-Technical Center
- Item 76-002-R0792, Approval of Eligibility for Professional Development Leave for FY 1993 in accordance with the terms of Regents' Policy 801.7; Montana University System (with addendum)

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CAPITAL CONSTRUCTION AGENDA

- Item 76-101-R0792, Renovate Basement, Elrod Hall; The University of Montana
- Item 76-209-R0792, Authorization to Resurface Bowling Lanes in the Strand Union Building; Montana State University
- Item 76-210-R0792, Authorization to Construct and Improve Parking Lots; Montana State University
- Item 76-601-R0792, Authorization to Install Fire Alarm System in Mathews Hall; Western Montana College of The University of Montana

Regent Topel stated for the record that in future meetings he would like appropriate items from the Budget Committee placed on the Consent Agenda.

The Board recessed at 1:30 p.m. to reconvene immediately in separate committee meetings of the Administrative, Academic and Student Affairs, and Budget Committees.

COMMITTEE REPORTS

Academic and Student Affairs Committee Report

Regent Kaze, Chairman of the Committee, reported on a meeting of the Chief Academic Officers held prior to the Board of Regents' meeting. Among the issues they are addressing are transfer of credit issues. A report was given to the Committee on the status of the compressed video telecommunications process. Dr. Vardemann reported to the Committee that the technical centers are holding new program proposals requiring new general fund expenditures in abeyance, but are going forward with programs that do not require such expenditures.

Notice of Intent Agenda

Regent Kaze called attention to those items listed on the Notice of Intent Agenda. This listing provides a first look at new proposals in the pipeline. Regent Kaze briefly

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reviewed each of the proposals, noting none require new general fund expenditures. Those received for consideration are:

- i. University of Montana --
Bachelor of Science in Business Administration -
Emphasis in International Business
- ii. Montana State University --
Bachelor of Science in Renewable Natural Resource
Management

(Item 76-208-R0792, Authorization to offer
Bachelor of Science Degree in the Department of
Animal and Range Sciences; Montana State
University)
- iii. Flathead Valley Community College --
Associate of Applied Science in Business/Secretary
- Option in Medical Secretary
- iv. Billings Vocational Technical Center
Associate of Applied Science in Heating,
Ventilating & Air Conditioning Technology

The four items listed on the Notice of Intent Agenda will be brought forward at the October 1992 meeting on the Submission Agenda and will be discussed in depth at that meeting.

Regent Kaze reported on Level I changes. These are matters the Academic & Student Affairs Committee and the Board have delegated to the Commissioner's Office the right to approve, assuming there are no substantive issues the Board or the Committee needs to consider.

At Montana Tech, a mine waste emphasis has been approved within existing masters' programs to take advantage of that institution's hazardous waste expertise.

At Miles Community College, a nursing education delivery system to Glendive and Sidney by interactive video has been approved through the Level I process.

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At Dawson Community College the Commissioner's Office approved an emphasis in chemical dependency within the existing human services program.

TWO YEAR INSTITUTIONS CURRICULUM ITEMS

Action Agenda

Regent Kaze reported the Committee discussed Item 75- 9502-R0492, Approval of Proposal to Convert the Approved Two-Year Certificate in Food Service Management to an Associate of Applied Science Degree in Food Service Management; Missoula Vocational-Technical Center. The consensus of the Committee was the item should be approved. Regent Kaze so moved. The motion carried.

POLICY ITEMS:

Submission Agenda:

Item 27-001-R0480, Higher Education Centers; Montana University System (Revised) was reviewed. The change adds a new subsection "d." to the last page of the item, under "7. Interinstitutional relations" as follows:

d. Each college, university, vocational-technical center and community college is authorized to serve as a higher education center for delivery of academic programs from another unit, provided that there is the appropriate memorandum of understanding signed by the respective presidents and the Commissioner of Higher Education. Such memoranda shall be in effect for no more than three years, but may be renewed with the approval of the Commissioner.

Regent Kaze explained the policy was originally designed to assure adequate resources existed in distant locations when a campus wished to offer distance programs. Under the old policy, a higher education center designation was

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required at any distant site. The revision before the Board is to designate the already-existing campus in a community as available for designation as a center. Another campus desiring to offer its courses at that distant location could offer the courses without going through an additional formal center designation. The campuses of course will be required to work together cooperatively; a memorandum of understanding signed by the respective presidents and the Commissioner of Higher Education is required. Ultimately the fiscal issues involved will also have to be addressed. Regent Kaze explained that if a campus wishes to offer a distance program in a city with an existing campus, and does not wish to offer the program through the existing facility, the requirements of Item 27-001-R0480 regarding higher education center designation will still have to be followed.

Item 27-001-R0480 will be placed on the action agenda at the September 1992 meeting.

Regent Kaze reported Item 27-009-R0680, Transfer of Credits; Montana University System (Revised) was withdrawn at the request of the academic officers.

Regent Kaze reviewed Items 17-009-R0777, Continuing education; salaries; Montana University System (Revised), and Item 2-007-R0973, Continuing education fees; Montana University System (Revised). Regent Kaze noted for the record that the items before the Board deal only with pay and mileage compensation and fees regarding continuing education. The issue of supervision of teachers is not addressed.

Regent Kaze explained there has been no fee or salary increase in the continuing education areas for some time. The policies before the Board on the submission agenda propose the salary for faculty members be increased from \$325 per quarter credit hour to \$575 per semester credit hour. The

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continuing education fee to students increases from \$40.00 per quarter credit hour to \$70.00 per semester credit hour. The fees and faculty salary increases are proposed in an attempt to find competitive faculty in continuing education offerings. By other Regents' policy, continuing education courses have to be self-supporting. The two items will be placed on the action agenda at the September 1992 meeting.

Special Recognition of Vice President Martha Anne Dow, Northern Montana College

Chairman Mathers stated at this point he wished to give special recognition to Vice President Dow, who will be leaving the Montana University System to pursue a new career opportunity in Oregon. Vice President Dow has served Northern Montana College and the System faithfully and with great skill and devotion for many years, and she will be missed. On behalf of the Board and all of the System, Chairman Mathers wished Dr. Dow well as she embarks on this new venture.

Introduction of Newly-Appointed Vice President for Academic Affairs; Montana State University

President Malone, MSU, introduced Dr. Mark Emmert, Vice President for Academic Affairs, at MSU. Dr. Emmert took his degrees at the University of Washington and Syracuse University. He is a political scientist and public administration scholar, coming to Montana from his position as Provost for Academic Affairs at the University of Colorado at Denver. Dr. Emmert was welcomed to the Montana University System by the Board.

Introduction of Acting Vice President for Academic Affairs; Northern Montana College

President Daehling, Northern Montana College, introduced Mr. Gus Korb, of NMC, who will serve as the Interim Vice President for Academic Affairs in the coming year. It was

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noted Mr. Korb has been in the System for many years, and will serve well in this new position.

Action Agenda:

Regent Kaze reported it was his and the Committee's pleasure to recommend approval of Item 76-001-R0792, Paul Douglas Teacher Scholars, 1992-93. The item seeks approval of the following students as Paul Douglas Scholars for the 1992-93 academic year:

Mindy L. Hanson, Big Sky High School

Pamela Nordwick, Hellgate High School

Amy Jo Thomas, Sweet Grass County High School

Standing as first alternate is Jessica Loftus, Cut Bank High School.

Approval of this item grants approval to the following students who have requested renewal of their Paul Douglas awards for the 1992-93 academic year:

Jill Renee Amundsen

Beth Ann Deffinbaugh

Laura M. Houtz

Christine Renae Longin

Kathryn A. Van Tighem

Julie Ann Williams

Regent Kaze moved approval of Item 76-001-R0792.

The motion carried.

Budget Committee Report

Regent Topel, Chairman of the Budget Committee, reported the Budget Committee deferred discussion and/or action on discussion of and request for approval of the budget amendment re millage distribution (Item 76-003-R0792, Budget Amendment-Millage, FY 93; Montana University System). The Committee believed there may be some differences expressed on the millage distribution, and resolution should properly be addressed by the full Board.

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Regent Topel explained the July 1992 Special Session of the Legislature appropriated to the Commissioner's Office the excess 6 mill levy millage collection in an amount of approximately \$1.6 million with the direction that the allocation to the units be made by the OCHE. The recommendation of the Commissioner's Office is that \$100,000 of that amount be held in reserve for transitional funding for enrollment shortfalls and/or other contingencies to be allocated later in the fiscal year. The remaining \$1,531,781 would be distributed in a manner that offsets general fund reductions in HB 002 equally for each unit. The recommended allocation to each unit was attached to the item.

Mr. Rod Sundsted, Commissioner's staff, briefed the Board on the provisions of HB 002 and reviewed the recommended allocation to the campuses. In essence, the allocation gives back to each of the six units approximately 42.25% of their general fund reduction which occurred in the July 1992 Special Session of the Legislature.

Chairman Mathers called for discussion on Item 76-003-R0792.

President Dennison stated he believed there is a threshold question of whether the \$100,000 should be held in reserve. He did not favor that recommendation based on the fact that the people of the State provided this millage account to educate students and it should be used in that manner.

The next question President Dennison addressed was the methodology of the allocation. First, he stated the basis for distribution of the six mill levy in the first instance was not percent of general fund, but proportion of enrollment. If you begin with proportion of enrollment and follow that on through, you arrive at a very different result than if you go on the basis of percent of general fund. General fund was

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reduced far more for some campuses than for others. President Dennison illustrated with the example of The University of Montana, which had a relatively high tuition yield which relates to the mix of resident and non-resident students. Then there was a larger rescission of general fund for the UM than there was for the other units when you talk in percentage terms. President Dennison stated the result is that the FY 1993 rescinded general fund is about 30%; looking at the actual budgeted students it is 32.9%; if the actual FTE for 1992 are examined, UM is at almost 36%. The result of switching from enrollments to rescinded general fund results in a "double whammy," because in the first instance the general fund is reduced more rapidly which is the beginning point the next time around. Then it is not made up by a similar percentage in the mill levy. President Dennison stated he believed that to be doubly unfair, particularly in light of the enrollments UM is dealing with. Again, the millage monies were approved by the people of the State to educate students. There are two separate issues. He urged the Board to stay with an allocation based on percentage of enrollments.

President Malone spoke to the reserve concept. The timeliness of the decision is very important. In the case of MSU, the application of this millage shifts the general fund cut from as high as \$1.4 million to as low as \$800,000. MSU is trying to minimize impact on students, particularly course offerings. It would be very helpful if MSU knew at the outset what its return on the millage would be.

Chairman Mathers and Regent Kaze requested clarification. President Malone responded on the concept of a reserve amount, he tended to agree with President Dennison.

President Carpenter noted up-front the OCHE concept of the reserve would benefit Eastern Montana College. He cited

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allocations in the past that had benefited other units at differing times for differing reasons, particularly when a unit was experiencing a decline in enrollments. The System has in the past consistently provided help to campuses experiencing difficulty. President Carpenter stated he is suggesting the Commissioner is asking for that ability now.

President Daehling generally supported the OCHE recommendation.

President Norman noted the recommendation of President Dennison would be more beneficial to Montana Tech. However, the \$100,000 might also be viewed as the first opportunity to experience lump sum funding and with that in mind, he was supportive of the OCHE recommendation.

President Dennison indicated he certainly did not argue against some relief for a campus under duress. He believed there was a difference in saying that assistance would be rendered, and saying only there would be a reserve account. If the reserve account is in fact already known to be for the relief of a particular campus that should be so stated at the onset. He also noted it was not necessarily accurate to state another campus would come out ahead under the allocation he was proposing. He reiterated his belief that if the OCHE allocation is adopted, the impact on a particular campus has been compounded. The fairer approach is to stick to enrollment percentages, rather than switch to percentage of general fund in making the millage allocation.

Commissioner Hutchinson reviewed the language of HB 002, noting looking directly at the language in the act, and interpreting in a fundamentalist way, the excess millage has to be used to offset the reductions contained in that act. Those are general fund reductions. That is the reason for the OCHE recommendation.

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President Dennison's approach looks more at the broader picture and how millage has been appropriated in the past. Dr. Hutchinson stated he understood that argument and in President Dennison's place would probably be making the same argument. What the Board needs to determine is whether it wishes to use the historic methodology for distribution of the millage, or alternatively stick specifically with the language in the appropriation act. The Commissioner's staff believes the latter is the appropriate method.

Speaking to the \$100,000 reserve, that money could be used to assist Eastern. Dr. Hutchinson stated he had conversations with President Carpenter long before the Special Session or before any excess millage amount was known. EMC now has rather robust applications and the money may well not be reserved for EMC. Dr. Hutchinson suggested the allocation of that amount be postponed until perhaps November when enrollments are known. At that time, if there is no severe need on any particular campus, the reserve fund would be allocated under whatever methodology the Board adopts today. The money will be used to educate students. The question is only when the money will be applied.

At the Chairman's request, Dr. Hutchinson read the relevant language contained in HB 002, emphasizing the appropriate sections. The intent of the language was discussed at some length. Regent Topel stated in his opinion the Legislature, by appropriating the millage to the Commissioner's office, presumed that the Board and the Commissioner might have better knowledge of what would be the best methodology for its distribution. After that action, the Legislature instructs that the money be added by budget amendment and show that the distribution offsets the cuts made by the Legislature. He believed the language in HB 002 regarding offsets is intended

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to be instructive for preparation of the budget amendments as opposed to telling the Board how the money must be allocated.

Regent Kaze asked if any president objected to the millage allocation being made based on 1990 enrollments. President Norman responded that methodology would totally disadvantage those institutions that had lower enrollments in 1990, and now have higher enrollments.

President Dennison agreed the most self-interested argument he could make would be that the additional millage distribution be made based on FY 1992 enrollments, or anticipated 1993 enrollments. He stated he was not arguing that. He was recommending that the allocation be made based on 1990 enrollments - the original premise. By doing that, account is taken of what occurred at the outset. But the distribution is not based on what has really been an extraordinary hit on the general fund on any one of the campuses that has had large enrollments. The tuition revenue filled in for general fund cuts. President Dennison repeated his belief it is fair to use the 1990 enrollments for those reasons.

Copies of four differing scenarios for allocation of the additional millage prepared by OCHE fiscal staff were distributed and discussed (on file). Mr. Sundsted noted the second column illustrates the position President Dennison recommends; the sixth column presents the recommendation of OCHE. Mr. Sundsted cautioned it is important to realize in looking at the column representing the original millage distribution that those budgets are established by the formula. When millage and other revenues are allocated, general fund fills in the difference so in the beginning it really doesn't matter how the millage is allocated among the units. The various allocation models were discussed at some length.

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President Carpenter argued against deciding the allocation methodology on what helps or hurts any particular campus.

MOTION: Regent Kaze stated that in order to bring this matter to closure he would move that the extra millage allocation be made based on FY 1990 enrollment percentages with a \$100,000 reserve fund retained in the Office of the Commissioner of Higher Education which will be allocated to the units on the same enrollment percentages at the end of this calendar year if there is no campus in dire distress. If that situation occurs, the \$100,000 reserve fee will be used to assist such campus(es) keeping in mind the Board has had the attitude of charity at appropriate times in the past.

Regent Topel stated his understanding of the initial concept of the reserve amount was to help EMC if it suffers decreased enrollment. Commissioner Hutchinson added that same would be true for any other campus. Regent Kaze's motion states "dire need." Regent Kaze clarified that he did intend "dire need" to be enrollment related.

Regent Kaze added for the benefit of President Norman that he understood this allocation does not provide the same benefit to Montana Tech that would occur if some other allocation methodology was used. It seemed to him, however, that the logic of the allocation has to carry the day. In his view, the logic of the original budgeting process said more to him the other issues raised. Regent Kaze stated he believed this methodology holds with legislative intent, and provides the Board an opportunity to address serious enrollment problems as well through the reserve account. Chairman Mathers concurred with that analysis.

Hearing no further discussion, the question was called on Regent Kaze's motion. The motion to allocate the

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additional millage monies based on 1990 enrollments and including a \$100,000 reserve fund in the OCHE carried, with Regent Boylan voting no.

Regent Boylan explained his no vote was based in part on his belief that carrying reserve accounts is unnecessary.

Next Regent Topel reported on the vocational-technical centers audit report. The audit report was generally quite satisfactory; the Billings Vocational-Technical Center audit contained no recommendations.

Regent Topel reported the next two items are examples of the types of issues he would like placed on the Consent Agenda in the future.

Regent Topel reported Item 76-602-R0792, Authorization to Expend up to \$50,000 of Computer Fees; Western Montana College of The University of Montana, and Item 76-102-R0792, Blue Cross/Blue Shield Supplemental Health Insurance Fee Increase for School Year 1992-93; The University of Montana were both briefly discussed in Committee. Both include appropriate endorsements and information on the items, and both are recommended for approval by the Budget Committee.

On motion of Regent Topel, Item 76-602-R0792 and Item 76-102-R0792 were approved.

Administrative Committee Report
Policy Submission Agenda

At the Chairman's request, Chief Counsel Schramm briefly outlined the changes proposed in the revision of Item 43-002-R0484, Residency policy; Montana University System (Revised). Dr. Schramm explained current Board policy requires a student to be present in the state for twelve consecutive months before qualifying for in-state fee status, and at present their months in school count toward meeting this

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requirement. Under the proposed revision, the students' time in school would not count as qualifying time to meet the 12-month requirement. If approved, the revision would be applicable to any person applying for in-state status as of fall semester, 1993.

In discussion in the Administrative Committee, new subsection (d), it was recommended that the required number of semester credits be changed from 6 to 7. Graduate student issues raised in the Committee will be addressed by Dr. Schramm and Presidents Dennison and Malone before the item is placed on the action agenda at the September 1992 meeting.

Policy Action Agenda

Chairman Mathers stated that Item 50-001-R0186, Eligibility for WICHE, WAMI, and Minnesota Dental Programs; Montana University System (Revised) was moved by the Administrative Committee from the submission to the action agenda. At the last meeting of the Board staff was directed to prepare a revision to this policy such that the 3 year waiting period to achieve in-state residency status in the WICHE/WAMI program be modified to give some consideration to long time state residents who have left the state for only a short time. The amendments provide that if a WICHE/WAMI applicant has been a resident either 8 of the last 10 years or 12 of the 15 years, that person would only have to serve a 12 month waiting period to qualify for the program. In addition, between new subsection (a) and (b) the word "or" should be inserted.

Chief Counsel Schramm noted this change may make the policy somewhat more vulnerable legally in that some distinctions are beginning to be drawn between long-time residents and new residents and courts have on some occasions frowned on that. Along these lines, Dr. Schramm reported that the University of California Board of Regents, within the last

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couple of months, adopted a 3-year residency requirement for undergraduates. This is the first state to adopt such a long residency requirement and will be watched closely by the legal community.

On motion of Regent Boylan, Item 50-001-R0186 was approved as amended.

Regent Kaze suggested the Administrative Committee consider a change to the System's regular residency policy similar to the change made to the WICHE/WAMI residency policy regarding the "8 out of the 10 years" provision. Dr. Schramm concurred that should be discussed by staff and if deemed appropriate a revision brought to the Board for consideration.

Chairman Mathers next reviewed Item 18-005-R1077, Fee Waivers; Montana University System (Revised). This revision relates only to the section dealing with Honorably Discharged Veteran Fee Waivers. The Regents for many years have granted fee waivers to students who are wartime veterans but the policy did not define "war". The policy revision does not authorize waivers for the smaller conflicts in the past two decades, but authorizes waivers for participants in the four most prominent military actions of the last 20 years (awarded an Armed Forces Expeditionary Medal for service in Lebanon, Grenada, Panama, or served in a combat theater in the Persian Gulf between 8/2/90 and 4/11/92 and received the Southwest Asia Service Medal). The narrowing of the policy is the restriction that the fee waiver can only be used for a student's first undergraduate degree, and not for second bachelor's degrees and graduate degrees. The revision also requires that all federal educational benefits must have expired or been exhausted.

Dr. Schramm noted also one amendment to the policy as presented changes Subsection II (b) deleting "Ribbon" and inserting "Medal".

On motion of Regent Boylan, the item was approved.

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Next Item 76-103-R0792, Authorization for Office of Campus Security Officers to Carry Firearms on a Twenty-four Hour Basis; The University of Montana was presented by President Dennison. The proposed policy is similar to those adopted by EMC and MSU. Two differences were noted by President Dennison. First, a campus review committee to review findings of the special committee from off campus is established; and second, there is an exemption to the authorization to carry firearms in instances where it would be inappropriate for an officer to be armed.

After discussion, on motion of Regent Boylan, the item was approved with Regent Kaze voting no.

Additions to Administrative Committee Agenda:

Prioritization of Long Range Building Program Requests

Chairman Mathers reported an amended recommendation for the Regents Long Range Building Program, 1993-95 Biennium, was presented to the Committee. Commissioner Hutchinson noted very briefly the changes in the revised list from that sent with the agenda. Item number 9, Steam & condensate Replacement Utility Tunnel Extension, Phase II, MSU, authorization has been expanded to include Roof Replacements, Reid, Culbertson, McCall Halls. No additional dollar amount was changed.

Commissioner Hutchinson noted the list totals approximately \$11 million out of \$120 million of deferred maintenance problems the System is experiencing. The list was pared extensively to reach the reduced amount; there is no expectation even the reduced amount will be received.

President Norman asked what the Board's intention was regarding capital construction. Two years ago the buildings at Tech and EMC were next in line. While recognizing the remoteness of realizing construction monies, President Norman stated realistically it is useful to remain in the

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queue. He asked if the Board would reaffirm its position on the priority assigned to those buildings two years ago.

On motion of Regent Boylan, the amended recommendation for the prioritization and approval of the Regents' Long Range Building Program Request was approved.

Regent Kaze spoke to the issue of priorities in the Long Range Building Program. It was his understanding two years ago that the Regents' number one priority was intended to be deferred maintenance. It was not addressed, and in his opinion will not be addressed so long as the System presents to the Legislature proposals for new buildings which are far more attractive and appealing than deferred maintenance requests. Not to slight any campus who has a need for a new building, Regent Kaze stated he still believed if the System can not take care of what it has, how can it expect to take on more?

Commissioner Hutchinson responded in the last Special Session there was considerable sentiment among legislators that the System should not even move ahead with the construction of the two new buildings previously authorized. The importance of continuation of those projects was called to the legislature's attention. Some planning monies general fund allocation was removed and the timetable for issuance of the bonds was delayed. There may be consideration of further action in the next regular session. In consideration of that, Dr. Hutchinson stated the feeling was it was not wise to go in for additional new construction. Hence the recommendation before the Board. Dr. Norman's project is indeed a major deferred maintenance project. There is no feeling in OCHE that there should be any rearrangement of priority in the Long Range Building Program recommendations. EMC is next in queue; then Tech; then NMC, in that order. That priority listing could be reaffirmed.

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President Norman expressed his understanding of the rationale. He asked, however, that in the System's presentations to the Long Range Building Committee, the priorities for the buildings be reaffirmed, and the Committee be apprised of the reasons the requests are not brought forward at this time. The Board and the Commissioner concurred with that recommendation. The extreme condition of many of the System's present structures, the effects on accreditation, and other matters were discussed at some length.

The question was called on Regent Boylan's motion to approve the amended Long Range Building Program Request, 1993-95 Biennium. The motion carried.

Athletic Study Committee

Commissioner Hutchinson distributed copies of his memorandum to the Regents dated July 28, 1992 which outlined his recommendation to conduct the study of intercollegiate athletics in the Montana University System requested by the Regents their June, 1992, meeting. The following paragraphs present the suggested purpose, composition, and charge to the committee:

Purpose: It is a matter of consensus among the Regents that intercollegiate athletics must be evaluated in light of recent budget recissions. The Regents' Commitment to Quality program may require enrollment limitations, program eliminations, administrative streamlining, and/or a variety of other measures aimed at bringing expenditures per student into line with those of comparable institutions in the western states. Intercollegiate athletics should not be spared the sort of scrutiny applied to programs elsewhere in the institution as a part of the Commitment to Quality effort. However, because of the complexity and emotional intensity associated with intercollegiate athletics, the Regents found it appropriate to establish a special committee to study the general role of intercollegiate athletics in the Montana University System in light of current and projected funding crises.

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Composition: The Special Committee on Intercollegiate Athletics (SCIA) will function both as a Committee of the Whole and in two more specialized subcommittees. The Committee of the Whole will be chaired by the Commissioner of Higher Education and will consist of the following members:

University Subcommittee: Commissioner John M. Hutchinson, (Chair)
President Mike Malone
President George Dennison
1 MSU Faculty member
1 UM Faculty member
1 member MAS Executive Committee
1 Regent

College Subcommittee: Chief Counsel LeRoy Schramm (Chair)
President Bruce Carpenter
President Bill Daehling
President Lindsay Norman
Provost Mike Easton
2 College Faculty members
1 member MAS Executive Committee
1 Regent

In summary, the Committee consists of the Commissioner, the System's chief legal counsel, five Presidents and the Provost of WMCUM, four faculty, two students, and two Regents. The faculty members will be selected by the Commissioner upon nomination by the Presidents/Provost. The Regents will be selected by the Chairman of the Board. The students will be selected by the MAS president but one must be from UM or MSU and one must be from EMC, NMC, TECH, or WMCUM.

Charge: The Committee of the Whole is directed to develop answers to the following two major questions: (1) What should be the role of athletics in the Montana University System? That is, what place should intercollegiate athletics hold in the broad spectrum of undergraduate education and what public obligations should colleges and universities seek to satisfy through intercollegiate athletics? (2) What financial pressures now affect the institutions and what future new pressures can be expected?

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Once these two questions have been answered by the Committee of the Whole, each of the two subcommittees will address two further questions relative to the institutions they represent: (1) Can the institutions maintain the role determined for athletics given modest increases in financial support, minimal increases in financial support, reduced financial support? (2) If the institutions cannot maintain the role determined for athletics, given these levels of support, what steps should be taken with respect to intercollegiate athletics in the several institutions?

The work of the Committee should be completed and tendered to the Regents during the October 1992 meeting. Commissioner Hutchinson recommended the Committee meet "in a marathon session" sometime in September.

Commissioner Hutchinson also suggested it would be wise to include identified options with respect to athletics and include those as part of the Commitment to Quality public hearings to be held late in the Fall.

Commissioner Hutchinson responded to Regents' questions regarding formation of the Committee, funding sources for athletics, etc. Regents and Presidents generally concurred in the need to expedite the study, and the format for formation presented by the Commissioner. Discussion was held also on the appropriate time to receive the Committee's report. It was the general consensus that it might be appropriate to receive the report at the Regents' fall workshop.

Regent Topel noted there is a perception that because the Board has agreed to conduct a study of athletics that the purpose of the study is to cut athletics. There is a further perception that some members of the Board believe that is the purpose or goal of the study. Regent Topel stated he believed firmly the purpose of the study is to determine what is the role of intercollegiate athletics, and at what level the Montana System should be participating. It may well be that at the end of the study the recommendation of the Committee and the position of the Board may be that the status quo is

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perfectly acceptable. It is important that everyone involved realizes the study is not being conducted with a predetermined position in mind.

Reference was made to Regent Kaze's request made at the July Special meeting that the 1986 study of higher education conducted by then-Commissioner Krause be mailed to the Board. That has been done. Regent Kaze again urged Board members to read the report and in doing so, realize that many of the issues now before the Board have been "studied to death." Much of the information in that report is still relevant.

It was the consensus of the Board that the Commissioner should proceed to establish the Athletic Study Committee utilizing the format and recommended timelines for reporting back to the Board as presented in today's meeting.

The Board recessed at 4:50 p.m. The Board will reconvene tomorrow, July 31, at 7:30 a.m. to conduct evaluations of President Carpenter and Commissioner Hutchinson.

Minutes of Friday, July 31, 1992

Presidential and Commissioner Evaluations:

7:30 a.m. - Evaluation of President Bruce Carpenter

Eastern Montana College

8:30 a.m. - Evaluation of Commissioner of Higher Education John M. Hutchinson

Chairman Mathers called the meeting to back to order at 7:30 a.m. The first order of business was evaluation of President Carpenter and Commissioner Hutchinson.

The majority of the evaluation of President Carpenter was conducted in open meeting and included a report by President Carpenter on the state of the campus, and a review of annual goals submitted at the July 31-August 1, 1992 meeting, the date of his last evaluation, against the

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accomplishments and problems encountered in the past year. President Carpenter also reviewed his personal goals for 1992-93 (on file) for the coming year. At the request of President Carpenter, a portion of the evaluation was closed for discussion with the Board of matters where his individual privacy clearly exceeded the merits of public disclosure.

The evaluation of the Commissioner followed the same format, excluding the state of the campus report.

Continuation of Regular Meeting of the Board

NEW BUSINESS

Appeals

At the Chairman's request, Chief Counsel Schramm reported four appeals are on the Board's agenda today. Under the appeals procedure established by the Board, the appeals may be set for hearing at a future meeting. If that action is not taken and it is the pleasure of the Board that the hearings not be held, by that act the Commissioner's decision in each case stands and would be the final administrative decision of the System.

Chairman Mathers ascertained that all members of the Board had an opportunity to read the materials provided with the agenda regarding the appeals.

In the matter of the appeal of Alcorn, Goss, Jappe and Larson: Regent Topel moved that the appeal not be heard. The motion carried.

In the matter of the residency appeal of Jeanne M. Hayes: Regent Kaze moved the residency appeal not be heard. The motion carried.

In the matter of the residency appeal of Bryan Keith Muzzana: Regent Kaze moved the residency appeal not be heard. The motion carried.

In the matter of the residency appeal of Mike Stansberry: Regent Topel moved the residency appeal not be heard. The motion carried.

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In each of the above appeals, by the Board's action at this meeting the Commissioner's decision denying the appeal stands as the final administrative decision of the System.

Proposed Calendar of Board of Regents' Meeting dates: 1993-1993

The proposed calendar of future meeting dates for 1993-94 of the Board of Regents was briefly reviewed by Commissioner Hutchinson. The calendar proposes a reduction in the number of yearly meetings of the Board of Regents from the standard eight meeting per year to six meetings per year. A change that should be noted for the record is that the meeting with the Board of Public Education, with the two Boards siting as the State Board of Education, has been moved from the spring in each year to January of each year. Commissioner Hutchinson noted there is nothing in policy or statute that would prohibit such change. Both the Governor's office and the Executive Director of the Board of Public Education have agreed to the change.

After brief review of the proposed calendar, and minor revision to accommodate requested changes, the following calendar of meeting dates for 1993-94 was adopted:

BOARD OF REGENTS CALENDAR OF MEETING DATES

1993

<u>MONTH/DATE</u>	<u>LOCATION</u>
January 21-22	Helena (Joint Meeting with BPE)
March 25-26	Kalispell (FVCC)
May 20-21	Havre (NMC, Stone Child, Fort Belknap)
June 7-8	Board of Regents retreat and workshop
July 8-9	Helena
September 23-24	Billings (Joint Meeting with BPE) (BiVTC, EMC)
November 11-12	Bozeman (MSU)

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1994

January 20-21 Helena (Joint Meeting with BPE)
March 24-25 Great Falls (GFVTC)
May 19-20 Helena
June 6-7 Board of Regents retreat and workshop
July 7-8 Butte (BuVTC, TECH)
September 22-23 Dillon (WMCUM) Joint Meeting with BPE
November 17-18 Missoula (MVTC, UM)

Consideration and Approval of Candidates; Rural Physician Incentive Program

Dr. Toppen reported that the matter before the Board at this time arises from the legislature's attempts in the last five biennia to create an environment in which WICHE and WAMI students who receive support from the State to be trained in the medical profession would be required in some fashion to return to Montana to practice, or to repay some portion of the costs of their education.

Dr. Toppen stated that in the 1991 Session OCHE staff worked with several key legislators on this issue, which resulted in the passage of the Rural Physicians Incentive Program, which is now beginning to function. A surcharge will be charged to each student who participates in either the WICHE or WAMI program. That surcharge goes into a fund administered in OCHE which is then used to repay the loans of physicians who come to Montana to practice in rural locations. The individuals whose names are before the Board for approval are those who have applied for this program and have been recommended to the Board of Regents for approval by the Rural Physician Incentive Program Advisory Committee.

Dr. Toppen explained each individual so approved is eligible for up to \$30,000 of debt repayment for his medical

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education in amounts corresponding to \$6,000, \$7,000, \$8,000 and \$9,000 in each year of the year four period of loan repayment. Those seeking approval, and the locations in which they will practice, are:

Garrett Charles Caputo	Shelby, Montana
David K. Naibert	Ennis, Montana
Daniel P. Rausch	Shelby, Montana
Randall Steffens	Culbertson, Montana

Dr. Toppen noted for the record that Samuel Ellsworth Gayton, scheduled for practice in Fort Benton, Montana and included on the original list submitted to the Board, has withdrawn.

On motion of Regent Kaze, the applicants for participation in Montana's Rural Physician Incentive Program listed above were approved.

National Merit Scholarship Policy Report

Addition to Agenda

Commissioner Hutchinson reported a situation was reported to him earlier in the week by President Dennison regarding scholarships for National Merit Scholarship recipients which needs action by the Board. At his request, Dr. Dennison made the following report.

Dr. Dennison stated when he became President at the University he discovered there was no scholarship program to attract National Merit Scholars to the University. Work was begun on a proposal to accomplish this. After analysis on the campus, a recommendation was made to establish a fund of \$50,000 which would be used to attract those students to UM. The money is now available, and the Regents are asked to grant authority to implement the \$50,000 fund to attract National Merit Scholars. The source of the funding is tuition and general fund. Other campuses were polled to ascertain if there

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were similar programs on other campuses. Details of the scholarship awards were briefly discussed.

On motion of Regent Kaze, the program proposed by Dr. Dennison to attract National Merit Scholars to The University of Montana was approved.

OLD BUSINESS

Report of and Reactions of 2nd Special Session of the Legislature

Commissioner Hutchinson provided a brief re-cap of where the System stands as a result of the July Special Session of the Legislature. A more detailed review was provided with the agenda material in the Commissioner's memorandum dated July 20, 1992, to Regents, Presidents and Directors (on file).

Dr. Hutchinson reported the higher education community sustained an operational cut slightly in excess of \$4.7 million. That cut was distributed to the units as a percentage of general fund, and brings the System's total general fund operation reduction, including the January and July Special Sessions, to 10.53%. Commissioner Hutchinson noted in Montana success is measured by how small the cut is - in essence the System came out about as well as it could have hoped for.

A key issue of the Special Session was House Bill 8, addressing gubernatorial rescission power. With passage of this bill, the Governor can rescind no more than 10% of an entity's general fund, and may not cut those departments of elected officials or the University System by a percentage greater than he cuts the average of his own departments which will maintain balance.

Commissioner Hutchinson spoke briefly to the legislative intent language imbedded in House Bill 2, the appropriation act of the July Special Session set out in the

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July 20, 1992 memorandum. In the opinion of OCHE staff, after analysis, most of those intents will be completed before the 53rd Session of the Legislature in any event. Most are at the top of the units' agenda now. The System's response to that language should be satisfactory to the Legislature.

Proposed Study of Administrative Structure

Commissioner Hutchinson reported in response to several indicators from the legislature regarding perceived "administrative bloat" in the Montana University System, he believed it is timely to respond. After conversations with the presidents and in response to a specific directive to the Commissioner from the Legislature, Commissioner Hutchinson proposed that a study be conducted of administrative structure, efficiency, and costs in the System utilizing the following procedure:

**PROPOSED STUDY OF ADMINISTRATIVE
STRUCTURE AND COSTS**

PURPOSE:

For many years, there has been a wide-spread perception that the administrative structure of the Montana Systems of Higher Education is bloated, duplicative, and inefficient. This perception has been memorialized in legislative intent language (Special Session II, 1992) requesting the Commissioner to study administrative structure and expenses. The proposed study will respond to this intent language and will involve the Office of the Commissioner of Higher Education, the six senior units of the Montana University System, the five units of the Montana Vocational-Technical System, and the three units of the Montana Community College System.

CONSULTANT:

An RFP will be developed by the Commissioner in consultation with leadership from the campuses and centers, the office of the Legislative Fiscal Analyst, and the Office of Budget and Program Planning. Respondents will be evaluated by a committee representing the

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several sectors of higher education and recommendations will be forwarded to the Commissioner.

STAFF SUPPORT: Principal staff support will be provided by the Office of the Commissioner with additional support from the campuses and centers as needed.

COST: The costs for the consultant will be shared by the participating units.

REPORTS: Progress reports will be made to the Regents and the Postsecondary Education Budget and Policy Planning Committee from time-to-time during Fall, 1992. A final report is due to the Regents in their regular January, 1993, meeting. The report will also be tendered to the 53rd Legislature upon acceptance by the Board of Regents.

Regents and Presidents were supportive of the study and the procedure proposed by the Commissioner. Regent Topel urged careful analysis of streamlining and centralization of certain administrative functions be part of the study. He noted he had asked that such a study be considered at the December 1991 meeting and was told it was probably not possible under budget constraints. Regent Johnson concurred with the concept and perhaps the need for the study, but expressed some concern with the Legislature issuing a directive to the Commissioner to conduct the study. It puts in focus the friction that exists between the Legislature and the constitutional provision that establishes the authority of the Board of Regents. Regent Kaze supported the study, but from the perspective that this Board has been discussing administrative structure for some time, particularly the issue of whether or not certain functions can be centralized for greater efficiency.

Hearing no further discussion, the Board directed the Commissioner to conduct the study of administrative structure of the Montana University System.

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Discussion of Consideration of New Programs

Regent Topel raised the issue of the System bringing forward new programs under present budget constraints and in the face of the intent language contained in legislation passed in the July Special Session.

Commissioner Hutchinson responded he believed the discussion in the Legislature did pertain to new programs that would require additional resources. He believed the Legislature was asking simply that the Board be wary of new programs that involved expenditure of new money. He cautioned the Board against a moratorium on new programs. As long as new programs can be provided without additional resources it does provide a certain dynamism on the campuses that is valuable. Growth through substitution is certainly worthy of consideration and those proposal should probably continue to be carefully examined for implementation, and can be, without going against Legislative intent.

Regent Johnson noted he was present at those discussions and he concurred with the Commissioner's summation. The dental hygiene program was specifically mentioned. It was discussed during the special session by the education subcommittee, and it was explained that Regents' approval of that program was contingent on finding funding from an outside source. The committee seemed comfortable with that funding mechanism for the dental hygiene program at the Great Falls Vocational Technical Center.

Regent Topel asked if recommendations for or against a new program moratorium should be brought to the Board at its next meeting. Presidents explained how they had been extremely cautious in that arena. President Dennison noted his remembrance of the subcommittee's focus on new programs had to do with how the System would handle reductions, rather than

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looking over the long term. He did not remember a conversation saying over the long term, stop all new programs. Regent Kaze added the new procedure for bringing forward new programs is certainly more methodical than it has been in the past, and should meet the legislative criteria.

Speaking to the legislative directives, Regent Topel stated he would not be comfortable ignoring the language, but also did not feel obligated to adopt all of them. He suggested a response be prepared, setting out which ones the Board would embrace, and which ones it would not, and include the reasons why the ones rejected would not be adopted. Chairman Mathers concurred, suggesting that kind of report could be made to the Regents/Legislative Joint Committee on Postsecondary Education and Budget.

Enrollment Caps

Commissioner Hutchinson reported the extra work involved for the entire OCHE staff in the special session and fiscal year end prevented completion of the data gathering necessary to bring forward the recommendation on enrollment caps. He stated he would meet with the two Regents appointed to the committee to develop the enrollment caps, involving the presidents as well, and get to closure on this issue in late August or early September.

Regent Topel noted it now appears no decision will be made on enrollment caps until the September meeting. However, his expectation was that the committee established by the Board to set enrollment caps will have its recommendation to the Board in the hands of the Board and the presidents well before that time. The Board has repeatedly stated enrollment caps will play a major role in the Commitment to Quality options. Regent Topel stated rather than delay planning until final action is taken by the Board, the presidents should use

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the recommendations the committee will make to begin immediate planning to establish enrollment caps. The planning process should begin on each campus using the worst case scenario, recognizing the Board may ameliorate the committee's recommendation.

Chairman Mathers asked now that the presidents know with some certainty what money they will have to operate with, if they would keep the Board informed on how they plan to meet the recession on each campus. Commissioner Hutchinson suggested those recession plans be coordinated through his office and a formal presentation be made on those plans at the September 1992 meeting. The Board concurred with that suggestion, recognizing that the media will be pressuring the campuses for details prior to that time.

Reconsideration of Administrative and Contract Professional Salary Requests

Commissioner Hutchinson referenced the Board's action at the June 1992 meeting in which it deferred action on all administrative and contract professionals salaries until conclusion of the July Special Session. Those staff items are now before the Board for its decision on whether they should go forward as recommended, or whether there are individuals or classes of individuals whose salaries the Board wishes to reduce or freeze.

Chairman Mathers noted he had received a request from Jodie Farmer, Co-Chair of the Montana Associated Students, who wished to make a statement on administrative and contract professional salaries. Ms. Farmer, speaking on behalf of MAS, stated members of MAS feel it is inappropriate at this time for administrators at the deans' level and above to receive salary increases. MAS does not feel administrators are not deserving of an increase, but rather that students have been called upon to make many sacrifices through increased tuition and fees, and they do not feel the sacrifice should stop with them - administrators should share in that effort.

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Regents discussed the proposed raises. Regent Johnson spoke strongly in support of the quality and ability of administrators in the entire Montana Systems of Higher Education. He did not believe they were overpaid; they work hard and do a good job. He asked only that the campuses assure the Board the resources were available for the increases. If the answer to that is yes, the raises should go forward.

Presidents spoke in support of the recommended raises for their administrators and contract professionals, noting particularly that the large number of those employees are not "dean and above." They manage programs, advise students, manage health services, run library loan programs, etc. That cohort should not be disadvantaged compared to all other state employees. Speaking to a freeze for deans and vice presidents, President Malone stated he had to disagree with students on this issue. This group is furthest behind in salary and suffers the largest turnover rate in the System, which is particularly damaging because of the importance of their positions in holding the System together. President Malone concluded, stating MSU has the funds available and he believed the campus was duty-bound to give the raises.

Other presidents concurred with President Malone's statement, and the views expressed by Regent Johnson. None believed the Montana System suffered from "administrative bloat", and felt the study to be undertaken will prove that to be true.

Regents questioned some of the salary amounts. The base increase is indicated to be 3-1/2% - some are considerably more than that. Questions were also asked concerning those System employees paid with federal funds. Presidents responded grant employees are paid to perform specific functions; when

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the grant runs out employment terminates. Other regular faculty and staff members working on contracts and/or grants, depending on the unit's relationship, may or may not be a continuing obligation. Differential salaries determined on the basis of the amount of time expended on activities related to the contract or grant, versus on-campus salary, were also explained.

President Dennison spoke also with regard to the differences in salaries by individuals. That can happen, because of the judgment of the appropriate administrators. The salary base is 3-1/2% of the total base salary within a unit. Administrators make the judgments and justify those judgments as to performance of individuals. There is no across-the-board money. One-half percent at UM was dedicated toward equity and market adjustments. Three percent went for merit. President Dennison noted that means there are differences; the judgment was made on the basis of performance.

Regent Schwanke spoke to his concern with this process elevating the base budget that will be submitted to the Legislature in the next session while cuts are being made in other areas. President Dennison responded it is important to keep in mind that the cuts that will be made in many instances will remove individuals, rather than deprive all individuals of increases in recognition of performance. In his view, that was the better way to go. The cuts that will have to be made because of the recessions experienced in the two special sessions were discussed, and the critical issue of remaining nationally competitive.

Regent Johnson cautioned against "comparing apples with oranges" in this discussion. The present issue is how the Board wishes to act on administrative salaries deferred in the June meeting. The issue of overall cuts will be addressed in

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reducing the overall number of people the System employees. He did not believe that should be accomplished through holding down salaries for a particular group of employees. He urged the Board to keep in mind that in the judgment of the presidents, these are salaries that should be paid to administrators for the duties they perform. That is one of the major functions of a president, and their recommendations should be carefully weighed.

Regent Belcher disagreed. He repeated the sacrifices students make through increased tuition, fees, and reduced numbers of classes. He believed all should share in the sacrifice.

Regent Topel stated he believed the issue was not whether the administrators and contract professionals deserved the raise - without doubt in many instances they are overworked and underpaid. He also did not believe the primary issue was fairness or even if the resources were readily available. He took issue with statements concerning the unfairness of "cut-off days." Tough decisions have to be made, and someone is usually treated unfairly when such decisions are made. Regent Topel stated he believed the primary purpose of the Board of Regents was to protect and provide education. He asked to what extent, then, are students hurt or disadvantaged if these raises are given. On any particular campus, will this mean adjunct professors will not be hired and 50 - 200 sections will not be offered, resulting in delayed graduation for some students? That result would not be acceptable.

Presidents responded to Regent Topel's concern. Generally they assured the Board the number of sections will not be reduced, though they may be somewhat larger. Adjuncts will be hired. That is known now that the actual amount of reduction caused by the July Special Session is known. Also,

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the dollars saved by not giving increases to deans and above is miniscule compared to total budgets; granting the raises to the entire cohort would not adversely impact student services on any particular campus because of the low dollar total. All presidents assured the Board sections would not be cut, nor would numbers of adjunct professors change if the administrative and contract professional salaries are approved.

President Norman, Montana Tech, spoke to what he considered to be the unfairness of students targeting these "15%" of the population who serve the System to take the brunt of the sacrifice. He noted these are the people who run the libraries, provide institutional and student services, they are counselors, registrars - they all serve students and should not be penalized because they are classed as "contract professionals."

Regent Kaze noted his perception, after listening to today's discussion, is that the special session did not change the System's administrators minds about the necessity for the proposed raises. Second, he did not hear anything today to change his opinion expressed at the June meeting, that the amount of money involved is not significant in the overall, and he was not willing to make these types of cuts or freezes for political reasons. Third, Regent Kaze noted the increases do not take into consideration the fringe benefits which are part of the package, and which at times can range up to as much as 20%. All real numbers need to be considered.

At the Chairman's request, Commissioner Hutchinson noted if the total budget authority for higher education in Montana is considered - including general fund authority, tuition and fees, six mill levy, vo-tech and federal revenues, etc., - the total authority is \$206 million plus. If the Board were to freeze all positions that are now deferred, it would

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result in a savings of \$624,000. If only the salaries of deans and above are frozen, a savings of approximately \$130,000 would result; for vice presidents and above, the savings would be about \$62,000 total. In the rest of state government, agency directors in the Executive Branch have had their salaries frozen; their deputies and below have not.

Regent Belcher asked why the amounts of money would not affect students, and the ability to offer sections. President Malone responded at some length, explaining in the shorter run the rescissions can be made out of other fund sources, none of which forces cuts in the adjunct pool. Looking at an amount of \$27,000 to provide the increases recommended for deans and vice presidents, that is the equivalent of approximately one instructional faculty member in a teaching cohort on MSU's campus of about 700 people. The longer run cuts will be the harder ones. Other presidents concurred and elaborated on President Malone's response. All agreed the basic decision is to serve the students first; freezing these salaries will not increase the number of sections.

Regent Belcher asked President Dennison if sections would be increased from the number available last year, and was told they would be.

Hearing no further discussion, Regent Kaze moved approval of the following items on the deferred Consent Agenda as amended to include on The University of Montana staff item the proposed increase for the Provost and Vice President for Academic Affairs:

Item 75-100-R0692,	<u>Staff; University of Montana</u>
Item 75-200-R0692	<u>Staff; Montana State University</u>
Item 75-300-R0692,	<u>Staff; Agricultural Experiment Station</u>
Item 75-400-R0692,	<u>Staff; Cooperative Extension Service</u>
Item 75-500-R0692,	<u>Staff; Montana College of Mineral Science and Technology</u>

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Item 75-500A-R0692, Staff; Montana Bureau of Mines and Geology
Item 75-600-R0692, Staff; Western Montana College of The
University of Montana
Item 74-700-R0692, Staff; Eastern Montana College
Item 75-800-R0692, Staff; Northern Montana College
Item 75-900-R0692, Staff; Office of Commissioner of Higher
Education
Item 75-7500-R0692, Staff; Billings Vocational-Technical Center
Item 75-8000-R0692, Staff; Butte Vocational-Technical Center
Item 75-8500-R0692, Staff; Great Falls Vocational-Technical
Center
Item 75-9000-R0692, Staff; Helena Vocational-Technical Center
Item 75-9500-R0692, Staff; Missoula Vocational-Technical Center

The motion carried, with Regents Kaze, Topel, Johnson and Mathers voting yes; Regents Belcher and Boylan voting no; Regent Schwanke abstaining.

Regent Kaze noted for the record that the above action did not include presidents salaries and the Commissioner's salary.

The regular meeting was recessed from 10:50 a.m. to 11:05 a.m. to allow the Regents to meet in executive session.

At the conclusion of the executive session it was announced that no action would be taken at this meeting on presidents and the Commissioner's salaries. A conference call meeting will be scheduled sometime next week to act on those salaries.

Commissioner's Report

Commissioner Hutchinson reported personnel changes that would occur in the Commissioner's office. He reported the search for the Associate Commissioner for Fiscal Affairs did not result in a suitable candidate. Dr. Hutchinson reported he would extend Mr. Rod Sundsted's appointment as Acting Associate Commissioner for Fiscal Affairs. To provide backup in the labor relations area, a job announcement will be posted for a Director of Labor Relations to handle those duties under Mr. Sundsted's leadership.

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Commissioner Hutchinson reported on plans in the making for his fall tour of the state to meet with legislators and key civic and community leaders in September and October in ten cities in Montana. He will keep the Board informed as planning for that tour progresses.

Commissioner Hutchinson also mentioned the Higher Education Conference to be held in Helena on September 15-16, 1992, in conjunction with the September meeting of the Board of Regents, and will include a dedication ceremony of the new Higher Education Complex building. Dr. Hutchinson outlined the panel discussions to be held during the conference. Invitations will be mailed, but all present today are certainly invited to attend. He urged all who could to plan to attend.

Wellness and Employee Assistance Report

Mr. Dave Evenson, the System's Director of Benefits, distributed and reviewed a memorandum to the Board of Regents dated July 30, 1992 setting out the wellness allocation for the System for FY 93 (on file). Mr. Evenson explained the source of funds is employee benefit accounts derived from employee payroll deductions and premiums paid to insurance. The formula for distribution of Wellness/Employee Assistance (EAP) programs is one that has been agreed on for the on-going wellness funding at the campus level. The total program last year spent approximately \$12 million for employee benefits, and has been in existence since 1986. Wellness programs nationwide are considered to be an integral part of any well-managed benefit program and are proven cost effective.

Student Report

Jodi Farmer, speaking for the Montana Associated Students, thanked the Commissioner and his staff for the openness and assistance provided to students during the July

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Special Session of the Legislature. It is and was appreciated. Appreciation was also expressed to the presidents for including students in campus budget discussions. Ms. Farmer asked that students also be represented on the committee to study the administrative structure and costs of the System. She also announced that Barbara Weirs, Northern Montana College, would represent the students on the athletic study committee.

Campus Reports

Presidents and Vocational-Technical Center Directors reported positive events and occurrences on the various campuses, ranging from reports on receipt of grants for specific purposes; improved equipment for the MBA program offering at EMC; completion of the Montana Tech \$2 1/2 million capital campaign in record time begun in May of last year, and very important to Tech's continued accreditation; receipt by MSU of notice of a \$970,000 contribution in bricks and mortar by the NSF for the Engineering and Science Building and the likelihood the Bio Science building will receive a fourth installment from Congress in the amount of just over \$1 million. MSU also reported grants and contracts expenditures at MSU for the past fiscal year have gone from \$19 million to \$25 million, an approximate 30% increase which puts MSU in the top five to ten percent of research institutions in America. UM reported the relocation of the Boone and Crockett Foundation headquarters to Missoula. That organization has funded a chair in wildlife biology at UM, with the faculty member to be on-campus beginning in January. The Boone and Crockett Foundation also operates the Theodore Roosevelt Memorial Ranch in Montana. Grant awards were also reported by FVCC.

Chairman Mathers announced that any of those wishing to tour the new building should meet outside the conference room and tour guides would be provided.

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Hearing no further business to come before the Board, the meeting adjourned at 11:40 a.m.. The next regularly scheduled meeting of the Board of Regents will be held on September 14-15, 1992, in Helena, Montana.

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