

**MINUTES OF TELEPHONE CONFERENCE CALL MEETING
BOARD OF REGENTS OF HIGHER EDUCATION
MONTANA UNIVERSITY SYSTEM**

DATE: August 7, 1992

TIME: 9:30 a.m.

LOCATION: Office of the Commissioner of Higher
Education
2500 Broadway
Helena, Montana

REGENTS

PARTICIPATING BY TELEPHONE: Chairman Mathers; Regents Schwanke; Johnson;
Boylan; Belcher; Kaze; Topel

REGENTS ABSENT: None

PRESENT IN THE COMMISSIONER'S OFFICE: Commissioner of Higher Education John
Hutchinson
Bob Anez, Associated Press

Chairman Mathers called the conference call meeting to order at 9:35 a.m. Roll call was taken and it was determined a quorum was present.

Commissioner Hutchinson noted Mr. Bob Anez, Associated Press, was present in the Commissioner's office. Dr. Hutchinson stated he would like to request a brief executive session at this time. Mr. Anez asked what the private matters were that would be discussed in the executive session. Chairman Mathers responded the topic would be personnel matters related to the presidents. Dr. Hutchinson added there were personal matters he would like to discuss with the Board as well. Mr. Anez was excused from this portion of the meeting.

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The special call meeting reconvened in open session at 9:45 a.m. with the same members present, including Mr. Anez.

Chairman Mathers stated the question before the Board was what the Board wished to do with regard to presidents' salaries.

In discussion, Regent Schwanke stated he believed the Board should continue to recognize the budget constraints under which the System is operating. He believed a 2-1/2% increase for the presidents would be the maximum amount he could support in light of the fiscal problems facing the State.

Regent Johnson stated he concurred with Regent Schwanke, and would so move - that the five presidents in the System be granted an increase of 2 1/2% for FY 1993.

Regent Topel asked what state employees had not received raises this fiscal year. Commissioner Hutchinson responded he believed that action was limited to Executive Branch agency directors. He believed the deputy directors and all other administrators below that level did receive salary increases.

Regent Topel noted the amount of money the State saved by the action would not then be very significant. He asked the Commissioner where the presidents, and the Commissioner, fit in comparison to department directors in regard to salaries and responsibilities. Commissioner Hutchinson stated he, and the presidents, all receive higher compensation than the agency directors. He added he was probably the only one that has comparability to agency directors in nature of duties.

Regent Topel asked what the rationale was that led to agency directors not receiving salary increases. Commissioner Hutchinson responded he did not know.

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Regent Kaze stated he did not personally object to including in this discussion what "looks good and what might look bad." He felt, however, that the real issue before this Board was whether the presidents and the Commissioner had served in their positions in the last year in such a fashion that they deserve an increase, within the budget that now exists, and understanding each campus will have to find the revenue to fund such increases. He did not believe the issue was how such action would read in the press or be read by the legislature. The question is then, do the presidents deserve a raise and can the System afford to grant such raises. If the answers are yes, then it should be done.

Commissioner Hutchinson stated he believed the presidents should have a raise, and he would recommend the full 3 1/2% which has been awarded to other administrators and contract professionals. This has been a difficult year for the University System, but the amount of money involved is vanishingly small with respect to the total budgets. He stated he was confident the campuses could come up with the money to award the raises. Dr. Hutchinson added he believed it is very important to keep in mind that presidents in the Montana University System are paid far below counterparts in peer institutions. The System recruits and retains in a national market; it is important to keep in mind where presidents salaries fall vis-a-vis comparable institutions throughout the country. Certainly for these difficult jobs the 3 1/2% increase is not out of line. The presidents have worked very hard in the past year, and the next year holds little promise of requiring less of them.

Regent Kaze asked how many dollars are involved in the raises. Commissioner Hutchinson responded while he had not put a total on that, it would be less than \$15,000. At Regent

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Kaze's request, Commissioner Hutchinson provided some comparable figures for presidents of contiguous states' institutions. The Chancellor of the North Dakota System makes around \$120,000; the presidents of North Dakota University and North Dakota State are compensated at the \$100,000 level. Wyoming and Idaho range from \$100,000 to \$120,000. Regent Kaze asked if any president in the Montana System is compensated at a higher level than any of the System's counterparts. Commissioner Hutchinson responded he could give assurances that none were making more than peer presidents.

Hearing no further discussion, the question was called on Regent Johnson's motion that the five presidents receive salary increases of 2 1/2% for FY 1993. A roll call vote was taken. Regents Kaze, Johnson, Schwanke, and Mathers voted yes. Regents Topel, Belcher and Boylan voted no. The motion carried.

In reponse to Regents' questions, Commissioner Hutchinson noted setting the salary of Provost Easton is the responsibility of President Dennison. It was the understanding of the Commissioner that action has been taken and that Provost Easton received a 3 1/2% increase.

The pleasure of the Board was asked regarding the FY 1993 salary for the Commissioner.

Regent Johnson moved the Commissioner receive a 2 1/2% increase for FY 1993 consistent with the increase granted the five presidents. A roll call vote was taken. The motion carried with Regents Johnson, Schwanke, Topel, Kaze, and Mathers voting yes. Regents Belcher and Boylan voted no.

Hearing no further business to come before the Board, the meeting adjourned at 10:10 a.m.

The next regularly scheduled meeting of the Board of Regents will be held on September 14-15, 1992 in Helena, Montana.