

**THE BOARD OF REGENTS
OF HIGHER EDUCATION
Montana University System**

MINUTES

DATE:	JULY 7-8, 1994
LOCATION:	STUDENT UNION BUILDING MONTANA TECH OF THE UNIVERSITY OF MONTANA BUTTE, MONTANA
REGENTS PRESENT:	JIM KAZE (CHAIRMAN), CORDELL JOHNSON (VICE CHAIRMAN), PAUL BOYLAN, JIM BROWN, PAT DAVISON, AND KERMIT SCHWANKE; COMMISSIONER OF HIGHER EDUCATION JEFF BAKER; GOVERNOR MARC RACICOT (FOR THURSDAY P.M. SESSION)
REGENTS ABSENT:	COLLEEN CONROY (EXCUSED)
PRESIDENTS & CHANCELLORS PRESENT:	PRESIDENTS GEORGE DENNISON AND MICHAEL MALONE; CHANCELLORS LINDSAY NORMAN, SHEILA STEARNS, AND WILLIAM DAEHLING; ACTING CHANCELLOR RONALD SEXTON

THURSDAY, JULY 7

Chairman Jim Kaze called the regular meeting of the Board of Regents to order at 2:15 p.m. Roll call showed that a quorum was present.

Chairman Kaze introduced Jim Brown, the new student regent from Montana Tech, and welcomed him to the Board.

Commissioner of Higher Education Jeff Baker introduced Dr. Richard Crofts as the new Deputy Commissioner for Academic Affairs in the Commissioner's Office. Dr. Crofts began his position July 1, 1994. Chairman Kaze welcomed him to the Montana University System.

- ▶ **Regent Pat Davison moved that the Board approve the minutes from the April 22, 1994 conference call meeting; the May 19-20, 1994 regular meeting; and the June 8, 1994 conference call meeting as mailed to the Board members. The motion passed unanimously.**

Chairman Kaze said that action on the consent agenda items would be deferred until Friday July 8).

COMMITTEE REPORTS

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

The Academic and Student Affairs Committee met at 10:30 a.m. in the Big Butte Room in the Student Union Building. Committee members present included Regents Cordell Johnson (chair), Jim Brown, and Kermit Schwanke. Chairman Kaze asked Regent Johnson to present the committee's report to the full Board.

1. Announcements

Regent Johnson said the announcements usually included Level I academic changes approved by the Commissioner's Office. Since Dr. David Toppen, former Deputy Commissioner for Academic Affairs, had left in mid-June, and since Dr. Crofts had just begun his duties July 1, any approved Level I changes would be announced at the September 1994 meeting in Dillon, even though some would be announced after the fact.

2. Notices of Intent

- a. Authorization to Establish the Center for Bison Studies to be Located in Its Veterinary Molecular Biology Laboratory; Montana State University—Bozeman
- b. Authorization for the College of Agriculture to Offer a B.S. Degree in Biotechnology with Options in Animal Biotechnology, Plant Biotechnology, and Microbial Biotechnology; Montana State University—Bozeman
- c. Authorization to Offer a Bachelor of Science Degree in Computer Information Systems at the MSU—Northern Great Falls Facility; Montana State University—Northern
- d. Authorization to Offer an Early Childhood Minor; Western Montana College of The University of Montana
- e. Item 26-021-R0380—Tenure; Faculty (REVISED 706.1) [Moved to notice of intent agenda from submission agenda]

Regent Johnson noted that Regent Kermit Schwanke suggested that perhaps notices of intent should be given closer scrutiny than in the past so they were not automatically placed on the submission agenda. Regent Johnson said Dr. Crofts would be working closely with the academic officers to review the process.

Chairman Kaze pointed out that one reason for using the notice of intent/submission/action process twice a year was to avoid having "notices of intent" submitted at every meeting.

Regent Johnson said the committee recommended that the five items on the notices of intent agenda be placed on the submission agenda at the September 1994 meeting; the Board concurred.

3. Submission Agenda

- a. Item 84-205-R0794—Authorization to Create a Western Transportation Institute for Advanced Rural Transportation Technology, Research, and Education; Montana State University—Bozeman

Regent Johnson said this proposal resulted from a collaboration between the California Department of Transportation and the Montana Department of Transportation. Although no additional resources would be required initially, outside funding would be needed to support future additional resources.

MSU—Bozeman Provost Mark Emmert said the institute was put together in large part to organize a sufficient, critical mass of faculty in a structure that would allow them to work collaboratively and make that collaboration attractive to federal funding agencies and other states. He said the Montana and California Departments of Transportation each had committed \$50,000 to the program, and there were indications that other western states would be participating partners at the same level.

Chairman Kaze asked whether they were talking about a director of the institute at some point. Provost Emmert said that probably was correct. A director would be funded with soft money only, however, with no state general fund commitment to the program.

Governor Marc Racicot said his office had been working closely with MSU—Bozeman through the Department of Transportation and pointed out that the proposal was a compliment to the university because it was being solicited to participate in this activity by a number of western states, including California. He said MSU—Bozeman had provided an engineering analysis study and partnership to a number of different transportation inquiries. The federal government had decided to establish regional research and development facilities and capabilities throughout the country, and this institute would serve as the research facility for the western United States. Governor Racicot said this tremendous opportunity complemented the university's research and development program, and he very much supported the effort to become a partner with the federal government and a number of other states in the region.

- b. **Item 84-702-R0794—Authorization to Change Names of Schools; Montana State University—Billings**
- c. **Item 84-801-R0794—Authorization to Update Board Policy 313 in Accordance with the October 1993 "Revised Summary Inventory of Degree Programs, Majors, Major Subsets, Minors, Certificates, and Teacher Education Endorsements by College/University"; Montana State University—Northern**

Regent Johnson said he had asked Dr. Crofts to make sure the master list referred to in Item 84-801-R0794 was accurate for all campuses, and that every degree listed as being offered at a certain institution had been authorized by the Board of Regents.

Regent Johnson said the committee recommended that Items 84-205-R0794, 84-702-R0794, and 84-801-R0794 be moved to the action agenda at the September 1994 meeting; the Board concurred..

4. **Action Agenda**

- a. **Item 84-001-R0794—Paul Douglas Teacher Scholars, 1994-95**
 - ▶ **Regent Johnson moved that the Board concur with the committee's recommendation to approve Item 84-001-R0794. The motion passed unanimously.**

ADMINISTRATIVE/BUDGET COMMITTEE

The Administrative/Budget Committee met at 10:30 a.m. in the Pintlar Room in the Student Union Building. Committee members present included Regents Pat Davison (Chair), Paul Boylan, and Jim Kaze. Chairman Kaze asked Regent Davison to present the committee's report to the full Board.

1. Submission Agenda

- a. **Item 84-002-R0794—Repeal of Certain Board of Regents Policies from the Montana University System Policy and Procedures Manual (Policies 273, 275, 276, 278, 279, 730.1, 730.2.1, 730.2.2, 730.3, 730.3.1, 730.4, 730.5, 807.1, 807.2, 807.3, 961.1, 961.2, 961.3, 961.4, 961.5, 961.7, 1002.2, 1051, 1052, and 1907.2)**

Regent Davison said Item 84-002-R0794 would be revised to exclude policies 961.5 and 961.7 from the list of policies to be repealed. The committee recommended that Item 84-002-R0794 be placed on the action agenda at the September 1994 meeting; the Board concurred.

2. Action Agenda

- a. **Item 84-004-R0794—Graduate Scholarships (NEW 504.5) and Item 43-002-R0484—Residency Policy; Montana University System (REVISED 940.1) [Moved from submission agenda to action agenda]**

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Items 84-004-R0794 and 43-002-R0484. The motion passed unanimously.**

- b. **Item 7-004-R0175—Purchasing Requisitions; Computing Equipment (REVISED 920.1)**

Regent Davison said the committee recommended that Item 7-004-R0175 be amended to change the word "reviewed" in the second line of the fifth paragraph to "approved" so that the policy would more closely reflect the direction they were taking to ensure that computing equipment purchases were compatible throughout the entire system.

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 7-004-R0175 as amended. The motion passed unanimously.**

- c. **Item 18-005-R1077—Fee Waivers; Montana University System (REVISED 940.13)**

Regent Davison said this revision involved the "Faculty and Staff Fee Waiver" section of the policy. After brief discussion on fee waivers, Regent Davison said the committee had asked Associate Commissioner for Fiscal Affairs Rod Sundsted to prepare a list of all fee waivers for discussion at the September 1994 meeting.

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 18-005-R1077. The motion passed unanimously.**

- d. **Item 83-002-R0594—Criteria for Board of Regents Contracts: Non-faculty Personnel (NEW)**

Regent Davison said Item 83-002-R0594 was a new policy that outlined criteria for hiring employees on Board of Regents contracts. The criteria needed to be better defined to bring about some semblance of how those exceptions were made. He said the new policy was developed to provide some type of uniformity throughout the system. Regent Davison pointed out that although uniformity may not be immediate, it did reflect the direction they were headed.

- ▶ **After brief discussion, Regent Davison moved that the Board concur with the committee's recommendation to approve Item 83-002-R0594. The motion passed unanimously.**
- e. **Item 83-003-R0594—Student Payroll FICA Exemption (NEW)**
- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 83-003-R0594. The motion passed unanimously.**
- f. **Item 82-005-R0394—Chancellors; Duties and Responsibilities (NEW 205.2.1)**
- g. **Item 20-008-R0578—Presidents; Duties and Responsibilities (REVISED 205.2)**

Regent Davison said that action on Items 82-005-R0394 and 20-008-R0578 had been deferred from the May 1994 meeting in Great Falls.

Commissioner Baker said the intent of the two items was to make the wording in the policies as consistent as possible with the wording in the restructuring document passed by the Board at its January 1994 meeting. He asked Chief Legal Counsel LeRoy Schramm to present the suggested language.

Chief Counsel Schramm said the first sentence in Item 82-005-R0394 would be revised to read: "A chancellor is the chief executive officer responsible for the management of a four-year campus affiliated with a university." The rest of the policy language would remain the same.

In Item 20-008-R0578, Chief Counsel Schramm said the word "chief" would be inserted in the first sentence before the word "executive." The rest of the policy language would remain the same.

- ▶ **After further discussion, Regent Davison moved that the Board concur with the committee's recommendation to approve Items 82-005-R0394 and 20-008-R0578 as amended with the language presented by Chief Legal Counsel LeRoy Schramm. The motion passed unanimously.**
- h. **Item 84-003-R0794—Recommendations to the Montana Health Care Authority Regarding Student Health Insurance**

Regent Davison said the committee had heard presentations from Dr. Nancy Fitch, Student Health Service Director at The University of Montana—Missoula, and Jim Mitchell, Student Health Service Director at Montana State University—Bozeman. The Regents had been given a position paper and were asked to adopt two recommendations: (1) that the Montana Health Care Authority specifically address the health care needs of all college students; and (2) that the Montana Health Care Authority take care to preserve the best features of the current Student Health Service facilities and student wellness programs. Regent Davison pointed out that the thrust of these recommendations was a request for input only, not a request for formal adoption or endorsement of any plan being discussed with the Health Care Authority. He said any proposals the Health Care Authority might propose or adopt could also have an impact on the university system as an employer.

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to adopt Item 84-003-R0794, emphasizing that the two recommendations did not represent an endorsement by the Regents of any Health Care Authority plan but instead were a request for input and interaction concerning the special population of Montana University System students and the system in relation to any plan put forward by the Health Care Authority. The motion passed unanimously.**

- i. **Item 84-101-R0794—Bond Project Budget, University Center; The University of Montana—Missoula**

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 84-101-R0794. The motion passed unanimously.**

- j. **Item 84-204-R0794—Authorization to Expend Equipment Fees; Montana State University—Bozeman**

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 84-204-R0794. The motion passed unanimously.**

- k. **Item 84-206-R0794—Authorization to Expand Over the Air Broadcast of KUSM, Montana Public Television, into the Helena Valley; Montana State University—Bozeman**

Regent Johnson said that several years ago the Board had discussed linking up between MSU—Bozeman and the television facilities at The University of Montana—Missoula to the end that the state could be served by one public television station with studios in both locations. He said he thought they were moving in that direction.

UM—Missoula President George Dennison confirmed that they were moving in that direction. They had received a federal grant to develop the link between Missoula and Bozeman, which would occur within the coming year.

MSU—Bozeman President Mike Malone said that as a statewide system was developed with two university campus hubs, the hard line between the Bozeman and Missoula stations would be completed by fall of 1995. He said the agenda item under consideration represented part of that, and the reason for expansion into Helena before Great Falls or Billings was that Helena from Bozeman represented a one-translator hop and was more inexpensive. He said the Friends of Public Television chapter in Helena had raised about half the money.

- ▶ **After further discussion, Regent Davison moved that the Board concur with the committee's recommendation to approve Item 84-206-R0794. The motion passed unanimously.**

- i. **Item 84-501-R0794—Authorization to Expend Student Computer Fees; Montana Tech of The University of Montana**

- ▶ **Regent Davison moved that the Board concur with the committee's recommendation to approve Item 84-501-R0794. The motion passed unanimously.**

- m. **Item 84-602-R0794—Acquisition, Birch Creek Bender Center; Western Montana College of The University of Montana**
 - ▶ Regent Davison moved that the Board concur with the committee's recommendation to approve Item 84-602-R0794. The motion passed unanimously.

- n. **Item 84-701-R0794—Purchase of Real Property; Montana State University—Billings**
 - ▶ Regent Davison moved that the Board concur with the committee's recommendation to approve Item 84-701-R0794. The motion passed unanimously.

- o. **Item 84-3000-R0794—Semester Tuition and Fee Schedules; Flathead Valley Community College**
 - ▶ Regent Davison moved that the Board concur with the committee's recommendation to approve Item 84-3000-R0794. The motion passed unanimously.

3. Other

Regent Davison said he felt it would be worthwhile for the Board to examine an incentive program for management of the university system's administration. He said he would like to have that option explored and receive a report for the Board within the next six months. He suggested that Commissioner Baker develop some type of incentive program for the presidents and chancellors that outlined goals and criteria and rewarded some type of bonus for exceptional performance. Regent Davison said he thought this type of program would better reward performance than granting across-the-board salary increases. He said it would also avoid the problem of changing one person's salary simply because another person's salary was changed. Regent Davison said this type of incentive program would provide the flexibility to reward efficiency and effectiveness in management of the system.

Regent Johnson said when the idea had been discussed in the past, one question raised was: Isn't this what we're paying them to do anyway? He said he was not sure when the issue was discussed but suggested that Commissioner Baker could probably find that information to help him prepare the report for the Board.

Chairman Kaze said the Board would concur with Regent Davison's request and asked that Commissioner Baker report back to the Board within six months.

Regent Davison said that as the system moved forward with restructuring, the presidents would be developing their affiliations, lines of communication, and management structure. As efficiencies were changed, some positions likely would be eliminated, downgraded, upgraded, etc. He said he would like to request a report for the Board within the next six months showing an accounting of those types of changes.

Chairman Kaze said they would be looking at administrative lines throughout the system to see whether current levels of administrative service should continue as at present.

Regent Johnson emphasized that not only the names needed to change, but actual changes had to be made that would benefit the entire system.

Chairman Kaze said the Board would concur with Regent Davison's request and asked that Commissioner Baker provide the report to the Board within six months.

4. Audits

Associate Commissioner for Fiscal Affairs Rod Sundsted reported on several audits (on file) at The University of Montana—Missoula, Montana State University—Bozeman, Montana State University—Northern, Western Montana College of The University of Montana, and the five colleges of technology. He said the audits presented recommendations for improving controls in some instances, to which most had been agreed. Mr. Sundsted pointed out that all the reports included unqualified opinions concerning the financial statements.

- ▶ **Regent Davison moved that the Board accept the audit reports presented by Mr. Sundsted. The motion passed unanimously.**

Chairman Kaze asked UM—Missoula President Dennison and MSU—Bozeman President Malone to update the Board on the status of restructuring at their respective campuses.

At the conclusion of the presidents' reports, Commissioner Baker said he realized that restructuring had placed extra burdens on system staff. He said the Board needed to be aware of the types of responsibilities that many in the system had assumed in addition to their regular campus duties. He said it served as a tribute to the people who work in the system. Commissioner Baker said he also wanted to recognize the people on his own staff who took on extra duties during the restructuring process.

Regent Johnson said he thought the entire process had gone extremely well. He referred to a recommendation by the Governor's Task Force to Renew Montana Government to combine K-12 and higher education as one department under the governor's direction. Regent Johnson said he did not think it was a good idea and pointed out that the person in charge of a similar system in Pennsylvania had a staff of 800 people. Regent Johnson pointed out that Montana did an excellent job with a staff of only 13 people.

Chairman Kaze agreed and said that he appreciated everyone's efforts.

The Board recessed for the day at 4:25 p.m.

FRIDAY, JULY 8

The Board reconvened at 9:40 a.m.

Chairman Kaze said they would begin with the consent agenda items that had been deferred from the previous day.

CONSENT AGENDA

1. Staff Items

- a. **Item 84-100-R0794—Staff; The University of Montana—Missoula**
- b. **Item 84-200-R0794—Staff; Montana State University—Bozeman**
- c. **Item 84-201-R0794—Post-Retirement Employment Contract, Clinton J. Frazee, Associate Professor, College of Business; Montana State University—Bozeman**

- d. Item 84-202-R0794—Post-Retirement Employment Contract, Alan T. Jackson, Instructor, Civil Engineering; Montana State University—Bozeman
- e. Item 84-203-R0794—Post-Retirement Employment Contract, E. Ruth Vanderhorst, Associate Professor, College of Nursing; Montana State University—Bozeman
- f. Item 84-300-R0794—Staff; Agricultural Experiment Station
- g. Item 84-301-R0794—Post-Retirement Employment Contract, Thomas W. Carroll, Professor, Plant Pathology; Agricultural Experiment Station
- h. Item 84-400-R0794—Staff; Cooperative Extension Service
- i. Item 84-500-R0794—Staff; Montana Tech of The University of Montana
- j. Item 84-502-R0794—Professor Emeritus Status for Professor Richard Alexander; Montana Tech of The University of Montana
- k. Item 84-503-R0794—Professor Emeritus Status for Professor Jack B. Goebel; Montana Tech of The University of Montana
- l. Item 84-504-R0794—Professor Emeritus Status for Professor Willard E. Cox; Montana Tech of The University of Montana
- m. Item 84-505-R0794—Professor Emeritus Status for Professor Gordon L. Zucker; Montana Tech of The University of Montana
- n. Item 84-500A-R0794—Staff; Montana Bureau of Mines and Geology
- o. Item 84-600-R0794—Staff; Western Montana College of The University of Montana
- p. Item 84-601-R0794—Post-Retirement Contract, James D. Corr, Professor of Art Emeritus; Western Montana College of The University of Montana
- q. Item 84-700-R0794—Staff; Montana State University—Billings
- r. Item 84-800-R0794—Staff; Northern Montana College
- s. Item 84-900-R0794—Staff; Office of the Commissioner of Higher Education
- t. Item 84-8000-R0794—Staff; Division of Technology of Montana Tech
- u. Item 84-9000-R0794—Staff; Helena College of Technology of The University of Montana

2. Capital Construction

- a. Item 84-102-R0794—Renovation of Student Union; Western Montana College of The University of Montana

3. Other

- a. Executive Board Appointments: Jenny Martin, MSU—Bozeman; Catherine Williams, Montana Tech of The UM; Kelly Holmes, MSU—Billings; Debra Ann Leeds, MSU—Northern; Joe E. Womack, Western Montana College of The UM; Leonard Landa, The University of Montana—Missoula

Commissioner Baker announced the following amendments to the staff items:

- ◇ Item 84-500-R0794: Page 1 was amended to reflect a 1.5 percent salary increase for Chancellor Lindsay Norman for the last six months of the fiscal year, effective January 1, 1995.
- ◇ Item 84-600-R0794: Page 3 was amended to reflect a 1.5 percent salary increase for Chancellor Sheila Stearns for the last six months of the fiscal year, effective January 1, 1995.
- ◇ Item 84-700-R0794: Page 4 was amended to reflect an \$80,000 annual salary for Acting Chancellor Ronald Sexton, effective July 1, 1994. (Dr. Sexton asked that the record note that MSU—Billings' proposed

salaries for administrative personnel should show an effective date of January 1, 1995.)

- ◇ **Item 84-800-R0794:** Page 2 was amended to reflect a change in Dr. Karen R. LaRoe's tenure status from "NT" to "C." Page 3 was amended to delete the "From: 32,849 AY, To: 33,342, Effective 1-1-95" entries for Dr. R. West Tucker.

Commissioner Baker said that MSU—Bozeman President Malone's evaluation had taken place during the Board's executive session. He said the evaluation had been favorable and that President Malone was to be commended for his performance. Commissioner Baker said a 1.5 percent increase in salary was recommended for President Malone for the second six months of the fiscal year, effective January 1, 1995. He said this increase was consistent with that recommended for other system employees.

Commissioner Baker asked that the amount of a salary increase for UM—Missoula President Dennison be deferred with other salaries at the university until current negotiations were concluded. Those salaries would be brought to the Board before January 1, 1995.

Regent Davison questioned whether they should grant 1.5 percent raises simply because everyone else in the state was doing it. He said he was not sure that was the most responsible decision. At some point, the Board may have to decide that across-the-board percentages might not be the best way to grant raises if doing so meant sacrificing quality.

Chairman Kaze said that Commissioner Baker also had been evaluated during executive session. The commissioner was under current contract until August 1, 1994, and Chairman Kaze said the discussion of Commissioner Baker's salary would be deferred to the September 1994 meeting. He said the Board felt that Commissioner Baker was doing an excellent job, and he had the full support of the Board. Chairman Kaze said he also had received favorable comments from campus administrators.

Chato Hazelbaker, student body president of MSU—Billings, voiced some concerns about the executive board appointments. He said he realized the appointments were made by the governor, but he did not feel that MSU—Billings was extended the same courtesy as the other campuses. He said Ms. Holmes' ability was not being questioned but pointed out that she did not reside in Billings. He said the other appointees resided in the same areas as their respective campuses, and he thought it was important that the appointee be from Billings.

Regent Davison said perhaps the Board could become more involved in the governor's process of appointing members of the local executive boards.

Commissioner Baker said his office could handle that since they had worked with the governor's office on other appointments, such as WICHE commissioners.

MSU President Malone asked that the first name of MSU—Bozeman's appointee be changed from "Jenny" to "Ginny."

Chief Counsel Schramm said that Sue Hill, Director of Personnel and Labor Relations, asked him to make everyone aware that the faculty salaries on bargaining campuses that appeared in the consent agenda remained contingent on collective bargaining and would be changed when agreements were reached.

- ▶ **Regent Jim Brown moved that the Board approve all items on the Consent Agenda (staff, capital construction, and other) as amended. The motion passed unanimously.**

OLD BUSINESS .

1. Appeals

Chairman Kaze said the Board voted at its May 1994 meeting in Great Falls to hear two appeals regarding eligibility for the voluntary termination incentive. He outlined the procedure the hearing would follow and asked Chief Legal Counsel LeRoy Schramm to proceed. [Note: All testimony presented is on tape at the Commissioner's Office.]

Chief Counsel Schramm distributed copies of a June 29, 1994 letter (on file) addressed to Chairman Kaze from Robert McKelvey, one of the appellants, stating that he (McKelvey) would be unable to attend the hearing but would be represented by attorney J.C. Weingartner. The letter was received too late in the Commissioner's Office to be mailed with the agenda material. Chief Counsel Schramm then provided a summary of why the incentives had been denied and why the decision was being appealed to the Board of Regents.

J.C. Weingartner, an attorney representing the Montana Federation of Teachers, presented arguments on behalf of Dr. Richard Fevold and Dr. Robert McKelvey, focusing on the statute in question and the Board's policy on granting the voluntary termination incentive. He asked that the Regents grant the incentives in question.

The Board also heard from Dr. Richard Fevold, one of the appellants, and Howard Reinhardt, a professor of mathematics at UM—Missoula, who spoke on behalf of Dr. Robert McKelvey at McKelvey's request.

Chief Counsel Schramm responded to the arguments presented by J.C. Weingartner, Richard Fevold, and Howard Reinhardt and concluded by saying that the decision made was based on legal issues and on the policy adopted by the Board. He asked that the Board stand by its policy with its basis in statute and to uphold the commissioner's decision to deny the incentives.

J.C. Weingartner presented a brief rebuttal, and Chairman Kaze asked the Board members whether they had questions.

Lengthy discussion followed, with the Board hearing additional comments from UM—Missoula President Dennison and Commissioner Baker.

Chief Counsel Schramm said he wanted to point out that while the Regents were voting only on the appeals of Drs. Fevold and McKelvey at that time, the potential existed for others to come forward if the incentives were granted.

- ▶ **Regent Paul Boylan moved that the Board accept the appeals of Richard Fevold and Robert McKelvey, thereby ruling in favor of the two appellants and granting the incentives in question. After further discussion, the motion passed 4 to 2; Regent Davison and Chairman Kaze voted no.**

2. Long Range Building Program

Commissioner Baker said \$48,500,000 in university system projects had been identified for funding with capital project funds (tobacco tax revenue), and an additional \$24,600,000 with other funds, such as federal grants, donations, student building fees, etc., amounting to slightly over \$73 million. He said the system was anticipating that approximately \$5 million in capital project funds would be available. The university system typically had received about 50 percent of those funds, or about \$2.5 million. Commissioner Baker said a process was used under the direction of presidents Malone and Dennison to come up with a priority listing within the context of the restructured system. In trying to put those two lists together, however, they were unable to resolve the priority listing to everyone's satisfaction. Commissioner Baker said he therefore requested that the Board approve the recommendation presented to them so it could be passed along to the appropriate authorities in order to meet the established deadlines.

Regent Schwanke moved that the Board approve the commissioner's recommendation of the priority listing of Montana University System projects to be funded under the Long Range Building Program.

UM—Missoula President Dennison said he wanted the Board to be aware that a potential liability existed if the ADA projects were placed in a lower priority. He pointed out that the top three projects on the list were not "failed" structures but instead were still operating, although the potential of failure existed. President Dennison said he thought the Board should consider moving the ADA projects to the top or at least reconfirm that the first three priorities on the list were actually failed facilities.

Commissioner Baker pointed out that all the campuses were experiencing similar problems with ADA compliance.

The Board heard comments from UM—Missoula's legal counsel, David Aronofsky, in regard to concerns raised about ADA compliance.

- ▶ **After lengthy discussion, the Board unanimously approved Regent Schwanke's motion to accept the commissioner's recommendation of the priority listing of Montana University System projects to be funded under the Long Range Building Program.**

STUDENT REPORTS

Justin Lee, MAS President, said he would compile a list of the issues the students discussed with the Regents during their lunch and hoped to continue the discussion in September.

Regent Davison said he thought the interchange with the students had been excellent and pointed out that some important issues had been discussed.

Chairman Kaze said the students had presented the Regents with a list of qualitative measures for their educations. They discussed with the Regents how those measures might be addressed, such as more sections being taught to attain throughput, faculty salaries, use or non-use of graduate assistants in teaching, and emphasis or non-emphasis on undergraduate education. Chairman Kaze said the Regents would continue to meet with the students to gain their input on those issues.

CAMPUS REPORTS

Montana State University—Bozeman

President Malone updated the Board on the progress of MSU—Bozeman's automated registration and fee payment system. He said the touch-tone registration system was being tested and would be fully activated for spring semester registration. The university also was testing a computer-assisted advising system. Beginning with the fall semester, the one-card system would allow students to pay fees and access the food service and bookstore. The card also would allow access to dorms and P.E. facilities. President Malone said the scope of those services would be broadened eventually.

President Malone announced that Dr. Ronald Sexton would be serving as the Acting Chancellor of Montana State University—Billings.

The University of Montana—Missoula

President Dennison distributed (1) a report on the Northwest Association of Schools and Colleges' interim visit (UM—Missoula's accreditation was reaffirmed until 1999); (2) an article titled "The Best Law Schools" from the April/May 1994 issue of *The National Jurist*. (According to a survey of 18,000 law students at 165 law schools nationwide, UM—Missoula's law school ranked fifth for quality of life, 11th for teaching quality, and 16th overall.); (3) the Summer 1994 issue of the *Montanan*; and (4) a research report from UM—Missoula.

Bob Frazier, President Dennison's executive assistant, reported on a conference held in Edmonton, Alberta, titled "Visioning the New Economy in the Rocky Mountain West." Mr. Frazier distributed a document titled "New Economic Regionalism in the Rocky Mountain West."

President Dennison announced that UM—Missoula was holding a benchmarking conference July 13-14 with the help of Coopers & Lybrand. He said the entire system would be involved in benchmarking next year, and the first day of the conference would be dedicated to a general discussion of benchmarking. The second day would focus on serious planning about how they would use benchmarking. He said about 75 people had signed up at that time, and room was still available for other participants.

President Dennison announced that David Aronofsky had been hired as UM—Missoula's new legal counsel and asked Dr. Aronofsky to make a few comments about the two tax initiatives likely to appear on Montana's ballot in November.

Dr. Aronofsky said he had experiences in several states that had capped taxes, which had proven to be a disaster for education. He discussed similar problems in California and Washington and said that Montana needed to gather and communicate the facts about the impacts these initiatives would have on education.

Chairman Kaze said that the Board, in the past, had not engaged in any kind of dialogue or taken a stand on political initiatives and asked the Regents for their comments..

Regent Johnson said he was not sure whether the Board should take a formal position on the initiatives, but the idea of trying to identify and communicate the potential outcomes of the initiatives if they became law might be something the Board should consider.

Regent Davison said the university system was a resource that could be used to analyze the impacts and provide some facts to the people of Montana. He said he would like to see the impacts analyzed on a factual basis before the system made any statements about potential damage.

After further discussion, President Dennison said that he and President Malone would try to coordinate a work group and work with the commissioner to have some information for the Board by September.

Miles Community College

Miles Community College President Jud Flower said that Dr. David Beyer, the new president of Flathead Valley Community College, had planned to be at the meeting but was delayed in Colorado. He also said that Dawson Community College President Don Kettner had been en route to the Board meeting but had to stop in Billings for medical reasons so was unable to attend.

COMMISSIONER'S REPORT

Commissioner Baker said he wanted to make several brief points about the direction the system was headed. (1) They had passed the milestone of restructuring and now needed to begin thinking of restructuring as a means rather than an end. (2) They were moving forward aggressively on the funding model—looking for lump-sum funding and greater accountability to the students. (3) The June 1994 retreat represented a good beginning by talking about six or seven objectives for the future; those would be discussed extensively during the upcoming months. Two issues particularly crucial were (a) improvement in undergraduate education, and (b) making salaries a priority in the system—especially with the emphasis on quality. (4) They had to get their message out to the public, making sure it was translated in ways that people could understand. They would continue the dialogue on accountability and the importance of the research component in the university system.

Commissioner Baker said he wanted to recognize Dr. Ronald Sexton in his new position as Acting Chancellor at MSU—Billings. He also thanked Vice President for Administration and Finance Jim Todd from UM—Missoula for his role in the benchmarking efforts.

Commissioner Baker said he had received some information from the Guaranteed Student Loan Program that the end-of-year, new-loan guarantee volume for this year was expected to exceed \$110 million, an increase from \$86 million last year. Two reasons for this were the increased loan limits available to students, and an increase in the number of students applying for loans. He said he wanted to emphasize the need to be aware of the financial aid requirements of students as they tried to finance their educations. It would continue to be an important issue during future discussions.

Chairman Kaze asked if there was anymore business to come before the Board.

Gerard Berens from Missoula asked if he could make a presentation to the Board concerning the Fort Missoula land sale.

Chairman Kaze said that since Mr. Berens was not listed on the agenda and since the Board was ready to adjourn, the Regents would not hear the presentation at that time.

Chief Counsel Schramm said it was not against policy to listen to Mr. Berens' comments, but the decision to do so was at the discretion of the chair.

Mr. Berens asked that he be listed on the agenda for discussion at the next meeting.

Chairman Kaze said he would have Commissioner Baker and Chief Counsel Schramm handle that request.

Before adjourning, Chairman Kaze thanked Chancellor Lindsay Norman for hosting the Board of Regents meeting on the Montana Tech campus.

With no other business to come before the Board, the Board adjourned at 12:50 p.m.