



# Joint Subcommittee On Postsecondary Education Policy and Budget

## 60<sup>th</sup> Montana Legislature

Room 110 Capitol Building \* P.O. Box 201711 \* Helena, MT 59620-1711 \* (406) 444-2986 \* FAX (406) 444-3036

### SENATE MEMBERS

BOB HAWKS, CHAIRMAN  
JIM PETERSON

### HOUSE MEMBERS

ROBIN HAMILTON  
BOB LAKE

### BOARD OF REGENTS MEMBERS

STEPHEN BARRETT  
CLAYTON CHRISTIAN

### EXECUTIVE APPOINTEE

JAN LOMBARDI (Ex-Officio)  
LFD Staff: Pamela Joehler  
LSD Staff: Jeremy Gersovitz, Esquire

# MINUTES

September 04, 2008

Room 102 Capitol Building

Please note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division.

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### **COMMITTEE MEMBERS PRESENT**

SEN. BOB HAWKS  
SEN. JIM PETERSON  
REP. ROBIN HAMILTON  
REP. BOB LAKE

### **EX-OFFICIO MEMBERS PRESENT**

Commissioner Sheila Stearns

### **BOARD OF REGENTS MEMBERS PRESENT**

REGENT STEPHEN BARRETT  
REGENT LYNN HAMILTON (sitting in for Regent Clayton Christian who was excused)

### **EXECUTIVE APPOINTEE**

JAN LOMBARDI, Office of the Governor

## **STAFF PRESENT**

PAMELA JOEHLER, LFD Staff  
JEREMY GERSOVITZ, Esquire, LSD Staff  
LINDA J. KEIM, Interim Committee Secretary

## **Agenda**

Attachment #1

## **Visitors List**

Attachment #2  
Attachment #3

## **COMMITTEE ACTION**

The Postsecondary Education Policy and Budget (PEPB) Subcommittee discussed the following agenda:

- Board of Regents 2011 Biennium Budget Package Update
  - Commissioner Sheila Stearns
  - Pam Joehler, LFD Staff
- Community College 2011 Biennium Budget Update
  - Pam Joehler, LFD Staff
  - Jim Cargill, President Dawson Community College
  - Jane Karas, President Flathead Valley Community College
  - Stefani Hicswa, President Miles Community College
- Transferability Initiative Accountability Measure Update
  - Commissioner Sheila Stearns
- Making Opportunity Affordable Grant Update
  - Commissioner Sheila Stearns
- Distance Learning Initiative Accountability Measure Update
  - Commissioner Sheila Stearns
- Statewide Workforce Development Plan Update (Perkins)
  - Commissioner Sheila Stearns
- Indirect Cost Recovery Plan (report only item)
  - OCHE Staff
- Overview of Proposed Legislation Related to MUS
  - Jeremy Gersovitz, LSD Attorney

## **CALL TO ORDER AND ROLL CALL**

00:00:02      **SEN. HAWKS, CHAIR** called the subcommittee to order at 9:00 A.M and welcomed **SEN. LAIBLE** to the table. The secretary called the roll. The minutes from the June meeting were approved.

Attachment #4

## **BOARD OF REGENTS 2011 BIENNIUM BUDGET PACKAGE UPDATE**

00:02:23      Comm. Sheila Stearns asked Mick Robinson to give the update.

## Review/Update to Budget Submission

00:02:59 Mick Robinson, Deputy Commissioner, MUS, began by saying they are presently doing some fact finding, and have formed a policy group that first met July 30. It consists of representatives from the Governor's office, several of the Regents, President Dennison, President Gamble, the Commissioner and the Community College Presidents, as well as staff from the Commissioner's office and the campuses. They are focusing on technical present law issues through the end of September. The time table from that point is unclear, but no decisions will be made prior to the Board of Regents September meeting. He noted there have only been general discussions regarding initiatives and the tuition issue, and there is nothing to report on the long range building program. The Regents' priority list has been submitted to the Architecture and Engineering Division. He stated that no decisions can be expected until the middle of October.

## Subcommittee Questions

00:08:30 **SEN. PETERSON** asked if there had been any discussion in regard to having a preview meeting with constituents to look at the budget as it relates to the Agriculture Extension Service Experiment Station and the long range building plan prior to the legislative process.

00:09:40 Mr. Robinson said this referred to a Board of Regents' task force that was focused on agriculture issues connected to the agencies related to the MSU Agriculture Experiment Station and the Extension Service. He said the budget process has followed the guidelines and directions that were adopted by that task force, and they have involved the Agriculture Experiment Station and the Extension Service at all five agencies of the university system.

Key things that came out of that study were as follows: 1) They took a realistic view of what they thought the Federal funding level was going to be in the next biennium and entered that into the budget process. 2) They have asked for State general fund dollars to fully fund the increases in overhead costs that are to be allocated from MSU campus. 3) There was a recommendation to have meetings of the Agriculture groups. The timing would be most appropriate when they find out what has been adopted in terms of the Governor's budget.

00:11:00 **SEN. PETERSON** commented that it is important for Agriculture groups to be included when the numbers are known, as it would help the process after January when the legislature convenes.

00:11:45 Mr. Robinson noted that the task force recommendation was directed at MSU President Gamble and his staff, including Jeff Jacobson, making sure they take that information to those groups in the fall. He felt that would be done.

00:13:27 Comm. Stearns commented that currently the agencies, the three community colleges and the university system are each considered in turn and none are being overlooked. All issues are being brought to the table.

## Review Campus and Systemwide Initiatives

- 0015:00 Mic Robinson noted that as this topic was presented twice before to the committee, he did not bring handouts to this meeting. He said that any decisions on funding would not be made until October, and offered to go into detail. **SEN. HAWKS** determined there was no objection to proceeding with the agenda.

## Review MUS Strategic Plan

- 00:16:46 Tyler Trevor, Associate Commissioner, Montana University System stated that Shared Policy Goals and the Board of Regents Strategic Plan have been incorporated together and will be referred to as the Board of Regents Strategic Plan. A Two Year Strategic Plan has been developed and will be discussed later. Deputy Commissioner Mary Moe will address the Making Opportunity Affordable grant and discuss other specific elements related to the two year plan later in the meeting. **SEN. HAWKS** asked for additional questions. There were none from committee.
- 00:19:12 Comm. Stearns invited members of the committee to get copies of the update presentation to the Board which will be in about two weeks. It will cover distance learning, transferability and other goals that will be discussed today.

## Budget Accountability/Performance Measures

- 00:19:38 Pam Joehler, LFD Staff, referred members to the signed copies of "Shared Policy Goals and Accountability Measures for the Montana University System" and Resolution on Faculty/Staff Retention Issues in the Montana University System" that was put in each member's folder for their records. She then reviewed the "2011 Biennium Budget and Accountability" handout, ending by discussing the State Budget Process.

### Exhibit 1 Exhibit 2

- 00:29:46 **SEN. HAWKS** reminded the committee that legal staff had previously suggested cleaning up HB 2. He noted they worked on the performance measures throughout last interim and chose not to during this interim because of a full schedule. The guidelines that were used last time are available. He feels there is better organization and measurement because of improving data systems. He said the intent to see how goals are being met, how and why there is failure, and what needs to be done to turn it around has always been there. At budgeting time, look at performance measures and see what can be done.

## Committee Comment on CAP and Performance Measures

- 00:32:31 Regent Barrett noted that everyone would like to see no tuition increases. The CAP process was a huge boost to the system, but it may be unrealistic to make that kind of determination today. Reality may not allow delivery, but the concept is laudable and they support a tuition buy-down. They don't want to create a

budget trap by making a recommendation that may not stand up to reality. He stated they should be cautious in making that statement before all the facts are in. Four years without any change in tuition would be difficult to manage. He would like to see a goal of working back to around 50%, so they could meet the citizens halfway in education. It is premature to vote and actually take a position.

- 00:35:10 Comm. Stearns commented on performance measures. Many do not believe Commissioners, Regents and University System feel accountable to Governor's office, Board of Regents, and the legislature wherever special allocations were made. She stated that with or without legislation, the key driver of accountability for the University System is the clarity that the PEPB committee has brought to the process in the sense of merging the MUS Strategic Plan and Shared Policy Goals, along with the involvement of the Governor's office. As a result, it is very clear what they need to be accountable for, what they need to explain. She said they will do everything they can to make the agreed-upon shared goals work.
- 00:37:40 **SEN. HAWKS** asked about the approach of passing a conceptual recommendation to the Governor's office supporting the concept of CAP and the concept of performance measures. This would ask the Governor's office to look at previous performance measures being considered last interim as a guideline. He said that perhaps prior to the session, they can bring that to a companion bill that could be passed on through the budgeting process.
- 00:38:39 Jan Lombardi, Executive Appointee, asked for clarification as to whether the suggestion is that this committee provide a recommendation to the Governor that concepts in place for access and affordability, and other accountability measures currently in place with the shared goals be continued in the budgeting process.
- 00:39:01 **SEN HAWKS** clarified they did not pass the companion bill. He said there are some small changes in the shared goals, but the concept is there to look at. He asked if it would be advantageous for the Governor's office to understand this committee's intent to support CAP as it is appropriate, and to support a companion bill along the guidelines presented last interim.
- 00:40:08 Ms. Lombardi felt that was appropriate. She said that from speaking with Eddy McClure last session, if there is a line item appropriation, there is a relationship to the budgetary expectation of that appropriation, so there is a direct tie-in with the intention of the resources.
- 00:40:51 Comm. Stearns noted two parts to the question: 1) Would it be appropriate for this committee to consider endorsing some version of CAP to the Governor's office, 2) Should this committee endorse some version of a legislative process that would call for line item accountability for shared policies. She felt that either approach would be appropriate if it had the appropriate qualifiers in regard to tuition control.
- 00:42:13 **SEN. LAIBLE** commented on the two issues: 1) Whether the committee wants to have a companion bill for a cap. He felt the easiest solution would be to draft a

letter to the Governor suggesting that this committee supports a cap funding for the next year if funds are available. 2) When talking about performance measures and accountability to achieve certain goals, he said they are already in place. Legislation is not needed to force the University system to provide a status report, they provide it willingly. Maybe just a letter from the committee to the next legislature saying that when there is an interim committee for PEPB, that the University make a progress report on their current status. This would keep the legislature involved in the process. He said that there are two different things, one is the budget process that goes to the budget office, and the other is accountability, which has to go to the legislature.

- 00:44:31 **SEN. HAWKS.** clarified **SEN. LAIBLE'S** statement. He said that the companion bill had to do only with the performance measures. CAP is a separate issue.
- 00:44:51 **REP. LAKE** agreed with **SEN. LAIBLE** that there are two issues. He felt that the CAP issue requires time to develop as they see where the State funds are, as well as what the University requirements are. He noted that the shared goals should be out in front of the legislature, the University System, and the public. He felt that the public deserves the report of how the University is performing with the agreed-upon goals.
- 00:46:19 **SEN. HAWKS** said that performance measures last interim could be characterized as an agreed-upon reporting set of guidelines, so that there was no misunderstanding between the legislature and the Board of Regents about what we would like to hear from them during next session and next interim.

**Public Comment: None**

#### **Subcommittee Action**

- 00:47:49 **SEN. HAWKS** said that the only action required on this section of the Agenda, if they chose to do it, would be on the CAP in whatever form is chosen, and the companion bill measure. Ms. Joehler concurred.
- 00:48:24 **SEN. HAWKS** asked if there was a consensus to move ahead with a letter to try to meet the intent of previous CAP agreements in negotiations, assuming budgeting allows the process to move in that direction.
- 00:48:44 **MOTION: REP. LAKE MOVED SENDING A LETTER TO THE GOVERNOR'S OFFICE ENCOURAGING HIM TO CONSIDER THE CAP, WITH THE ASIDE THAT THERE SHOULD NOT BE ANY HARD NUMBERS IN IT, BUT THAT HE STAYS WITH THE INTENT OF MAINTAINING A CAP ON TUITION.**
- 00:49:28 Comm. Stearns asked if it might be appropriate to send a letter to the Governor and also the full Board of Regents.
- 0050:15 **MODIFIED MOTION: REP. LAKE MODIFIED THE MOTION TO INCLUDE THE BOARD OF REGENTS IN THE LETTER.** There was no further discussion.

- 00:50:17 **VOTE: MOTION UNANIMOUSLY APPROVED.**
- 00:50:42 **SEN. HAWKS** asked if there was any intent to move forward with a statement about performance measures; a recommendation to the Governor.
- 00:51:00 Ms. Joehler reminded the committee that the Shared Policy Goals and the signed agreement include accountability measures on Page five, Item two, which will be reported to the full legislature at the beginning of the session. This will include not only those being followed this interim, but all the others.
- 00:51:45 **SEN. HAWKS** stated that might not necessarily suggest that this would be reported in the budgetary process with the Governor's office.
- 00:52:00 Ms. Joehler said that was correct. The Governor would not necessarily be including that in his recommendation.
- 00:52:20 **SEN. HAWKS** noted if that was the case, there is a request to report to our committees in a legislative session. The Governor would like to know up front what we will be considering, and perhaps it would be advisable in the budgeting process to make the Governor's office aware of the shared goal provisions the legislature will be dealing with.

**Public Comment: None**

- 00:53:20 **MOTION: REP. HAMILTON MOVED TO SEND A LETTER TO THE GOVERNOR'S OFFICE INFORMING HIM OF THE SHARED POLICY GOALS AND THE PROVISIONS FOR REPORTING.**
- 00:53:50 **SEN. HAWKS** recapped the motion; to communicate with the Governor in the form of a letter to create an awareness of the Shared Policy Goals plus the provisions for reporting. There was no further discussion.
- 00:53:58 **REP. LAKE** asked if that would be in the form of an information letter to the Governor. **REP. HAMILTON** affirmed. **SEN. HAWKS** reiterated that the motion is for a letter to create awareness in the Governor's office.
- 00:54:24 **VOTE: MOTION UNANIMOUSLY APPROVED.**
- 00:54:44 Comm. Stearns reminded the committee there will be discussion on student assistance tomorrow, and asked them to review Shared Goal One: Making education more affordable. She said she called this to the committee's attention for use during tomorrow's discussion.
- 00:55:10 **SEN. HAWKS** called for a ten minute break
- 01:07:56 **SEN. HAWKS** called the committee back to order and the next Agenda item.

## COMMUNITY COLLEGE 2011 BIENNIUM BUDGET UPDATE

### Overview of Community College Funding Formula

01:08:38 Ms. Joehler introduced the next topic and reminded the committee of the funding formula change made several years ago.

01:09:55 Mary Sheehy Moe, Deputy Commissioner for 2-Year Education, discussed the budget process and explained the handout "Montana University System Enrollment Trends".

### Exhibit 3

01:13:02 Ms. Joehler gave an overview of the handout "Community College Funding Formula".

### Exhibit 4

### Flathead Valley Community College Update

01:17:53 Jane Karas, President, Flathead Valley Community College (FVCC) stated that the new funding formula is working well and voiced appreciation for the work that went into it. She noted some of many things FVCC is doing: partnerships within the K-12 area; work with the high schools on developing career clusters; "high school for a day"; a dual credit program with the high schools; and a seamless transfer system to 4-year schools with courses clearly identified in the catalog. FVCC partners with MUS providing 4-year degrees on campus, and with businesses for workforce training in health care and construction. Their biggest challenges are utilities, insurance, and recruiting qualified faculty.

### Subcommittee Questions

01:26:27 **SEN. HAWKS** asked if they tried to follow all their graduates and track them through any continuing education. Pres. Karas noted that they do a survey, and 98% of the last five year's graduates stayed in Montana.

01:27:11 **SEN. LAIBLE** noted a 7.5% increase in FVCC student population and asked what contributes to their success. Pres. Karas answered it was growth in the Valley, companies with employees that need continuing education, new programs in the allied health area, an increase in transfer students, a board focused on a commitment to provide education to any student who comes, student loans, student payment plans, and scholarships.

01:29:32 **SEN. LAIBLE** questioned that even though FVCC has had some growth, it has been stagnant recently, and part of their success is due to meeting needs of the local community, in addition to an outreach program with businesses. Pres. Karas agreed and said they do much of that in their role as a community college, providing transfer education as well as workforce training.

01:31:09 **SEN. LAIBLE** asked why this college is necessary when Missoula is close by. President Karas said that in 1967 the community determined there was a need to provide local education to people who could not travel 120 miles to Missoula.

### **Dawson Community College Update**

01:33:09 Jim Cargill, President, Dawson Community College (DCC), Glendive said their focus is on teaching, having seamless transfer programs, offering occupational programs that culminate in jobs, short-term workforce and economic development, adult developmental education, adult basic education, life-long learning, and cultural development. Last year, the community built a cultural arts center in order for the college to provide activities for all residents in town to enjoy. They emphasize distance education, dual credit programs, community partnerships, and try to keep college affordable. 80% of their budgets go toward salaries; this provides economic stimulus for the county.

The county has been losing residents, but is beginning to come back. In the public schools, the lower grades are filling up; the upper grades are still weak. They have wind, oil, gas, coal, bio-products, and all the things to promote having a good economy except people to do the jobs. Local businesses have a hard time finding employees, as people are going out of town for work to make more money. They leverage \$1.3M in local taxes every year. Dawson County citizens pay 59 mills, about \$14,000 in taxes. Their enrollment this year is up 12.5%, so they think things are turning around.

They try to keep the fee structure and tuition as low as possible: \$2,736/year. With room and board and living expenses it would be about \$7,000/year. The financial aid office said the cost of education in Missoula is about \$16,000/year. They have to keep costs low because 15% of students in eastern Montana go to North Dakota schools. To cut costs, they have eliminated five faculty positions in the past five years (21%), they have \$3M in deferred maintenance needs, 39% of the student body are from Dawson County. They draw students from all over eastern Montana, from North Dakota, and from Canada. DCC has raised \$7M in local money to completely build a facility housing a new gymnasium and performing arts theater. The money came from bond issues, loans, and \$550,000 in private gifts; this also included a library addition. They also raised \$40,000 locally for landscaping.

### **Subcommittee Questions**

01:43:49 **SEN. LAIBLE** commented about DCC doing job training so people can improve their lot in life, asking if DCC works with the oil and wind industries to determine what their needs are, i.e., whether pipe fitting or welding is certified. Pres. Cargill answered that the oil companies are closer to Williston and they mostly use experienced workers who are there for only about ten days before returning home. DCC does a lot with agriculture, bio-fuels, and wind. They have programs in farm and ranch management, agricultural management, and agricultural mechanics.

## Miles Community College Update

- 01:45:59 Stefani Hicswa, President, Miles Community College (MCC), praised the funding formula and the strategic budget process. She said that the state dollars that have come to their campus, along with the local money, allows them to leverage some priorities that give seamless educational opportunities. Their distance education initiative is one of the largest programs in the State. They have had a successful dual credit program for 20 years. MCC has been a catalyst for economic development in the community; for example, their heavy equipment program almost guarantees its graduates well-paying local jobs. Some fiduciary challenges they are facing are deferred maintenance, program development for current local workforce needs, recruitment and retention of faculty and staff (they have one-person departments, if they cannot recruit another person, the whole department is eliminated).
- 01:52:41 **REP. LAKE** asked how they respond to a local need, and if MCC has access to MUS instructors who would come in for a certain period of time.
- 01:53:54 Ms. Hicswa replied they do that, and discussed having a visiting professor in Agriculture but haven't done so because of the logistics involved with housing, etc. They also have good partnerships with distance learning and transferability. They recently had good luck hiring a newly retired heavy equipment foreman to be an instructor. They work with local employers, some will lend an instructor until they can mentor someone in the position; they have also been lucky advertising regionally to get instructors to come in.
- 01:55:47 **REP. LAKE** asked what percentage of the curriculum is transferable academics vs. trade-related to fit local job needs. Ms. Hicswa answered it is around 47% to 52% depending on the year and on the enrollment.
- 01:56:23 **SEN. PETERSON** asked if they coordinate teaching or resource needs with the local USDA. Ms. Hicswa said they are used as an adjunct science faculty; most of them have PhDs and are interested in education. They also take field trips, using the facility to teach students in their Agriculture program.
- 01:57:12 **SEN. HAWKS** noted that MCC also relies on local citizen experience for their adjunct faculty pool. There were no other questions.
- 01:58:16 **SEN. HAWKS** referred to the change in the funding formula and praised the work Allan Peura and the committee did. **SEN. HAWKS** said he is proud of this work, as well as what the community colleges have done.

## Bitterroot Valley Community College Status

- 1:59:00 **SEN. HAWKS** noted that the handout "Bitterroot Valley Community College" is an informational update and will not be discussed.

## Exhibit 5

## Public Comment on Community Colleges

01:59:40 Dixie Stark with the "BVCC Effort", complimented the committee on their work and encouraged them as they work with College Affordability Plans (CAP) to make sure community colleges are fully included, so that they continue to remain the most affordable option.

02:00:23 Mary Sheehy Moe handed out "Request For Information from BVCC District Board of Trustees" which was recently sent to BVCC District Board of Trustees. She said she visited the Board in July and then worked on the process the Regents will use to make their recommendation to the legislature. , "Procedures for Community College District Approval". This document was sent to the Regents last week, and they will have their answers ready by the November meeting. She will be the liaison from the Commissioner's office to the BVCC Board of Trustees and provide them with any technical assistance they need. The information gathering process will conclude about Oct. 20.

### Exhibit 6

The Legislative Fiscal Division handout, "Procedures for Community College District Approval" was an informational item only.

### Exhibit 7

02:02:59 Regent Barrett noted the handout LC0154, "Unofficial Draft of Joint Resolution", and clarified it is informational only; there will be no action taken at this meeting.

### Exhibit 8

## TRANSFERABILITY INITIATIVE ACCOUNTABILITY MEASURE UPDATE

02:07:27 Ms. Moe introduced the handout entitled "MUS Transferability Initiative", and stressed its importance. She said Dr. Bill MacGregor is heading this up. He is in the audience and will answer any questions. He passed around "MUS Transfer", one of what are now 14 matrices that have been created. They are being reviewed by the campuses to provide feedback through the process that she explained in her handout. She noted the appropriation of \$1.5 million to improve transferability between campuses. Performance Measures are as follows: To improve articulation and transferability among 2-year and 4-year institutions, including community colleges and tribal colleges as measured by common course numbering, direct transferability, and user-friendly web-based computer interface. They had common course proposals ready for three disciplines as of May and for an additional 11 by the end of August.

### Exhibit 9

### Exhibit 10

## Questions from Subcommittee

02:14:39 **REP. HAMILTON** asked about common course numbers for upper class courses. Dr. Bill MacGregor, Head of Transfer Initiative explained that when a decision is made to use common course numbering, it has to be for all levels of

courses. Equivalency is a huge issue, as is academic quality and rigor. He said that many 300 and 400 level courses match up well.

- 02:17:17 Comm. Stearns added that they did not know they would do common course numbering for upper level classes when they began the process, but they wanted something that was very transparent to students.
- 02:19:45 **SEN. HAWKS** asked for comment on the handout on economics courses (Exhibit 10). Dr. MacGregor said they decided Economics would make a challenging test case. The difficulty from a faculty perspective is that faculty own their courses intellectually and they take great pride in what they are able to do with students in an individual setting on an individual campus. They don't want to change the numbers and the identification, or they are resistant to something being imposed on them that might change what they do. The rule of thumb has been they are not required to say "this is equivalent to that". He stressed that this is a truth in advertising effort. The idea is not to transform the curriculum, but to make it as clear as possible to students, advisors, and faculty.
- 02:22:52 Ms. Moe commented that while there was no compulsion, part of the funds provided in the Transferability Initiative gave them the data capacity and the ability to see what was already being accepted as transfer to use as evidence.
- 02:23:46 Regent Barrett stated that it wasn't just the data, it was the funding to get these councils to sit at the table with everyone in their field and talk about teaching, about what matters to students, and how they compare. He felt this is the first sign from a faculty perspective of this being part of a system. He said it is truly transformative, and anyone that looks at the matrices is instantly aware of how the array of courses in their discipline fit together.
- 02:25:04 Ms. Lombardi commended the University System for taking on common course numbering and making this consumer friendly. She suggested several topics needing clarification: how general and core classes fit, how dual enrollment classes weigh into this, and how common course numbering dovetails with distance learning.
- 02:26:48 Dr. MacGregor said that common course numbering solves all those problems, and it becomes user friendly. Once faculty have determined one course is equivalent to another, there is no question.
- 02:27:41 **SEN. HAWKS** asked about the forces that maintain rigor in the System.
- 02:28:16 Dr. MacGregor commented that they included tribal and private colleges at the table, and noted that tribal colleges have been more consistent attendees than others. He said they are eager to participate and have already changed their course numbering, which shows that the more privileged part of the System is already helping the less privileged increase their rigor. He referred to the handout "MUS Transfer" (Exhibit 10), and explained that when the user asks for economics courses, this is what they will see on the website. Mousing over a

course brings up the outcomes associated with that course. They will have a way of internally matching up whether the courses are doing what they say they are supposed to be doing. The other means of insuring rigor is via the data system they have. They will be able to track students more consistently, and if students who have taken a given course at a given campus aren't prepared consistently for the next course, a feedback mechanism is provided.

- 02:32:14 **SEN. PETERSON** asked whether the first 12 disciplines will go online for public use by January 1, 2009, with the others added as they are completed, and if they will be constantly updated.
- 02:33:05 Dr. MacGregor said that according to their schedule, that will happen and be completed by the next biennium. He explained that they will be on-line in January and students can register during the Spring semester for fall classes.
- 02:33:23 Ms. Moe noted they will be able to see this online, but the catalog process takes longer. This won't be in the catalogs, since they are printed in November.
- 02:34:09 **SEN. PETERSON** asked for clarification about why Agricultural Economics was not included. Dr. MacGregor explained that even though it has "Econ" in the name, they want people at the table who are discussing equivalencies to be experts in that field.
- 02:35:14 **SEN. HAWKS** asked if the catalog would have a disclaimer causing people to look for updates. Ms. Moe affirmed.
- 02:35:40 **REP. LAKE** asked about getting to the next level when a 2-year unit offers a course that is similar but not equivalent.
- 02:37:00 Dr. MacGregor said the outcome statements that will be visible will make that evident and discussion will take place. The councils are careful not to call these identical; it is not possible for all courses to be equivalent. The critical thing is outcomes, what students know when they complete a course. They strive for 70 to 80% of outcomes.
- 02:39:09 **REP. LAKE** asked if he could read into the process that the future of Montana higher education is going to continually improve due to the creation of some competition with a known outcome and greater opportunities.
- 02:40:12 Dr. MacGregor agreed and predicted a continued pattern of competition with the community colleges because of their emphasis on instruction and class size.
- 02:41:21 Comm. Stearns commented on the student course data system overall. She said they are working with the Office of Public Instruction (OPI) K-12 on dual enrollment. Currently they have a pilot project with the National Transcript Center that the University of Montana/Missoula is piloting with several high schools to see if they can track the course taking, the transcript sharing, and the success level. She said that will speak to rigor and less expensive courses, and

will foster increased competition. This will ideally enable them to track success rates, so students can find the least expensive course to get the best result.

- 02:43:20 **SEN. HAWKS** asked how measurement is handled with the 70/80% knowledge base transfer guideline, and how they determine if the course has met outcomes. Dr. MacGregor said they start with trust. He explained that grades given are based on course objectives, i.e., the outcomes expected. If the student has passed the course, they assume the outcomes have been met.
- 02:44:49 **SEN. HAWKS** commented that other states use knowledge based testing as a formal process of acceptance when transferring from two-year community colleges to a four-year system. Dr. MacGregor replied that most of those occur in the context of movement from a general education environment into a program specific environment.
- 02:46:39 Ms. Moe added that the assessments being discussed tend to measure the entire learning experience. There is still a need to assure that certain outcomes have been reached on a course by course level, in order for a course to be transferable one on one.
- 02:47:05 Regent Lynn Hamilton noted that the four year campuses in specialized programs do have a lot of "gating" assessments that go along with acceptance into the major program. She said it is usually an assessment by the faculty, a portfolio type of assessment that presents grades, the courses that have been taken, community service, and internships. Part of the process is the importance of advising and counseling students, and encouraging students that intend to move to talk to an advisor at the campus they are moving from, as well as an advisor on the campus they are moving to. She stressed it is more than just moving them from campus to campus, it is making sure they are ready to succeed.
- 02:48:38 **SEN. LAIBLE** asked how many disciplines there are. Dr. MacGregor said they have an inventory of programs in the system but he does not have a final count. This year they intend to convene an Education Council, an Engineering Council, and a Fine Arts Council, all of which encompass multiple disciplines, and that will help them take on bigger chunks of curriculum at one time.
- 02:50:15 **SEN. LAIBLE** commented that once they have the learning curve and people are working together, not feeling threatened, the process will go quicker. Dr. MacGregor agreed, and added that by the end of this biennium or the middle of the next one, campuses will be taking this on. The disciplines that haven't done the renumbering will be lost.
- 02:51:20 **SEN. LAIBLE** asked about transferability of courses taken at higher learning centers which are part of a campus. Dr. MacGregor answered that of the Colleges of Technology (COT), two are stand-alone, and three are merged or co-located with their parent campuses. There are not a lot of different courses in a given discipline.

02:52:33 **SEN. HAWKS** thanked Dr. MacGregor for coming, noting everyone is looking forward to the final product. He stated this is a major improvement. Dr. MacGregor thanked the committee for the money that enabled everything. There was no further comment. **SEN. HAWKS** called for a lunch break.

04:05:25 After the break, **SEN. HAWKS** called the committee back to order and introduced the next agenda item.

### **MAKING OPPORTUNITY AFFORDABLE GRANT UPDATE**

#### **Two Year education strategic discussion**

04:05:55 Mary Sheehy Moe presented a handout, "The Making Opportunity Affordable (MOA) Proposal for the Planning Year", a ten-point proposal for a grant application of \$150,000. She explained that the MOA process is a national program open to all states to compete for funding toward things that would increase productivity, cost-effectiveness and access for students in higher education. She noted that much of this is related to the strategic plan they have been developing for 2-year education. Their goal was to coordinate 2-year education in Montana so that it would increase student enrollment, success, and productivity (degree completion). At this point in the process, they have made the first cut, and are competing with 11 other states.

The following points were discussed in detail: 1) Under-utilization, 2) Why education is important, 3) Two-year education reform is a good investment, 4) Coordination is crucial, 5) Marketing a new image, 6) Promoting similarity, 7) Total separation is too expensive, 8) Envision a Community College of Montana, 9) The Community College of Montana concept will work, 10) Help is needed.

Each campus of the Community College of Montana would: use an integrated information system coordinating a shared electronic catalog, serve as a home campus for their region, bring all components of the 2-year mission to their region, create a common curriculum package, provide courses in formats enabling working adults to complete degrees, work actively with schools and economic development organizations for seamless transitions, be coordinated by the Deputy Commissioner of 2-Year Education.

The maximum grant is for \$150,000. They would use \$120,000 for the integrated information system, \$20,000 for a policy audit, \$9,000 for research projects, and \$1,000 for travel, conferences, and communication.

#### **Exhibit 11**

#### **Subcommittee Discussion**

04:37:06 **REP. LAKE** asked how the current COTs are funded. Ms. Moe explained they are not funded through the current six mill levy, as that was designed for 4-year units and is only a portion of the university system funding. COTs are funded through the same process as the 4-year units, those that are co-located, i.e.,

MSU-Billings COT works within MSU-Billings to come up with their budget proposal. Since Great Falls is a stand-alone, they develop their own budget.

- 04:38:19 **REP. LAKE** commented that several units are already funded locally or are tribal colleges, etc. and perhaps they could look at a change using earmarked funds through putting an additional mill on the six mills that would be more predictable. Ms. Moe said that had not been discussed, however the policy audit will also look at financing and provide some insight on a national level.
- 04:40:05 **REP. LAKE** questioned that if the 2-year system is left at the mercy of the University System budgeting process they will be exposed to a precarious life.
- 04:40:41 Regent Barrett felt that a more comprehensive mechanism would have to exist, but doesn't envision it as the first step. There are a number of issues in comprehensive funding if a Community College of Montana is created. He said a new mechanism requiring statutory change needs to be implemented after the parameters, problems, and opportunities are known.
- 04:43:09 Regent Hamilton added that the Board had initial conversations ten years ago about the possibility of increasing the mill levy to fund 2-year education. She said they felt the political world did not exist for an increase at that time.
- 04:44:10 **SEN. HAWKS** noted concerns about the transition period with the home campus concept and what will happen to dual credit if students are siphoned off from the 4-year system. Also, in recruitment of students, there would be an overlap as well. **SEN. HAWKS** questioned how to make sure there is an even shake for the 4-year system.
- 04:45:31 Regent Barrett said the objective is to create new numbers and not cannibalize the old numbers. If they succeed with the primary objective of capturing the population that has not been represented, it will be a much larger number than the amount of cannibalization.
- 04:46:32 **SEN. HAWKS** noted that with the transition period it may all sort out on its own.
- 04:46:44 Ms. Moe responded that the home campus is simply a point of access to whatever is in the Community College of Montana, and that is why the integrated information system is so important. The student would do their financial aid, testing, and services there, but the full range of programming within the system would be available to them, and they would be encouraged to take it. This would allow them to use the entire system as a campus.
- 04:48:29 Comm. Stearns compared this to a high school student taking French from another high school that is not their 'home' campus. Rather than duplicating the whole expense of a separately accredited entity, the Community College of MT would be the overarching system. It may need separate funding or separately identified streams of funding to make sure that 2-year education is strengthened. She said the home campus is an access point to the whole system's classes.

- 04:49:47 **SEN. HAWKS** inquired about the concept of the system tracking students.
- 04:50:09 Ms. Lombardi observed that other states are moving in this direction also or are already accessing higher education in that manner.
- 04:50:59 Ms. Moe noted that distance learning is the logical next step.
- 04:51:26 **REP. LAKE** noted that comments have revolved around having a Community College of MT, and asked to focus on the current established community college system and any other new ones that may come in that are locally based and funded. Because they will be relied upon to bring their curriculum up to the 2-year college level that fits the entire higher education scheme, he suggested they should be considered in that funding mechanism because they are playing a key role. Doing so will take pressure off the local area, give stability, and recognize them as a key player in the higher educational system. Ms. Moe agreed. There was no further discussion. **SEN. HAWKS** stated that more comprehensive public comment will be available after the break.
- 04:53:32 10 minute break
- 05:04:32 **SEN. HAWKS** asked Comm. Stearns to cover the next agenda item, and she introduced Tyler Trevor. Their resource person is Dr. Tom Gibson, Director for E Learning Business Development, MUS.

#### **DISTANCE LEARNING INITIATIVE ACCOUNTABILITY MEASURE UPDATE**

- 05:04:00 Tyler Trevor, MUS Associate Commissioner, discussed the handout, 'MUS Distance Learning Initiative'. A \$900,000 appropriation was made by the 2007 Legislature to further develop and centralize components of distance learning. The primary outcomes include: 1) System-wide portal for distance education courses and degree programs, 2) Expanded offerings in high demand areas, 3) On-line capabilities for students. The performance measures are: 1) Increased student enrollment growth in online courses, 2) Increased number of online courses and programs, and 3) Increased number of workforce development online courses and programs. He noted that the performance measures are identical to those in the Shared Policy Goals, the measures reviewed by the Legislative Finance Committee, as well as the measures that are in the Board of Regents' Strategic Plan. The hand-out includes data specific to electronic Distance Learning and lists 'Action Steps' taken in 2007-08 and in 2008-09.

#### **Exhibit 12**

- 05:12:48 **SEN. HAWKS** asked whether Performance Measure #3 was included in #2. Mr. Trevor conformed that it was.
- 05:13:11 Regent Barrett asked what kind of one-time-only investment is required to put the IT systems in line with each other.

- 05:14:23 **SEN. PETERSON** asked if the survey process is looking at the whole system to meet some of the needs that are coming and need to be addressed.
- 05:15:35 Mr. Trevor said there have been conversations about integrating the information systems for the entire system but the complexities do not allow that.
- 05:17:33 **SEN. PETERSON** encouraged having a bullet point under 'Action Steps' and suggested beginning the process of addressing the challenges in both higher education and K-12.
- 05:18:20 Mr. Trevor agreed that the IT infrastructure needs to be addressed to take advantage of the efforts in Distance Education and Transferability.
- 05:18:48 **SEN. HAWKS** said the legislature is expecting to have integration of K-12 and the University System so the data systems can be coordinated to be able to track students. He asked what is being done to incorporate COTs as we go along, to unlock the two systems and allow them to speak to another.
- 05:19:41 Mr. Trevor explained what is meant when they talk about connecting K-12 to higher education. He said they are talking about connecting data after the semester occurs at the eight institutions of the University System, when it is collected and put into a 'data warehouse'. It is from that point that they would like to connect with K-12.
- He explained that to a K-20 database is more complex. They currently have information such as what high school they came from, their ACT scores, what institution they matriculated at, and the ability to follow on through their college career. What they don't have is the course-taking patterns from K-12, and the way they can get those is with an electronic transmission of transcripts.
- They have a pilot study going on now at the University of Montana (UM) where students would go to their high school counselor's office and send their transcript off electronically in data format. The University of Montana can then pick that up off of a centralized transfer center and incorporate it into a data base. Then they have the connection of course level information. They have found that they don't currently have the ability to connect K-12 and higher education through their data systems, as it is more complex and detailed than they realized. He stated that COT's are already part of an integrated system; UM COT is integrated with UM-Missoula.
- 05:22:50 Regent Barrett said these comments are the big picture. They have five COTs that are not quite integrated, but the pieces are all there. There are three or four community colleges where there would have to be new money and new training, and that is only a small step. That integration is what he wants to take as a first step, and the State would have to do this to make it happen. K-12 would follow, as it is more complex.

05:24:08 **SEN. HAWKS** noted that the funding guideline for K-12 was that this would be a system that can be integrated or connected to track students. He said that would come up again when it comes to shared goals, policies and measures. In the meantime, they have appropriated a large sum of money to get a system in place, and it would be comforting to have that assurance.

05:24:52 Comm. Stearns said that in terms of the language in their guidelines, they coached themselves they would not pledge they would have the same systems, K-12, that all the different districts have. She explained that they are working toward achieving the desired result through 'connected' systems.

Comm. Stearns commented on addressing rural access through distance learning. The full MOA Proposal includes a mention of the idea that they should be looking at their own Extension Service throughout the State to ensure that every corner of Montana has an opportunity to access distance learning.

05:27:22 **SEN. HAWKS** determined there was no further discussion and asked for public comment on the Making Opportunity Affordable Grant and Distance Learning.

### Public Comment

05:27:48 Dixie Stark, Director of Ravalli County Adult Literacy Program, and Chair of Darby School Board. Ms. Stark commented on a Community College of MT. She noted that Montana is one of the last local control states for K-12. The K-12 system is strong, but there are individual units in the system. There is separation even within the system; in Darby they have a separate playground for elementary and junior high. She felt there were parallels when looking at 4-year and 2-year systems. She noted that creating a Community College of Montana would need 20% of Montana registered voters to sign a petition and majority of voters to approve. Currently, Statutes say how to create community colleges in Montana and that is the only way to create one. To create a Community College of Montana would take more legislative changes than to separate the 2-year and the 4-year system. She felt that the systems would be more effective if severed, just as safety on the playground is much better with separate playgrounds.

05:29:53 Dr. Tom Gibson, Director for E Learning Business Development, MUS, clarified that of the \$450,000 one-time monies, they have already allocated \$370,000 in change to the campuses, and \$110,000 went to the community colleges. He said that community colleges have had a big part in everything they have done with those funds, and with everything they have done with distance learning. They have seen significant growth in on-line enrollments and delivery. Dr. Gibson said that Community colleges have a seat at the table every month when they get together with the other campuses and talk about strategic goals. Community colleges are very much a part of the activity, even though they are not part of the data base. He noted appreciatively that the University System has been able to make great strides forward with the money that was allocated.

05:31:21 **SEN. HAWKS** thanked Dr. Gibson. He did not have further comment.

- 05:31:51 Victoria Clark Bitterroot Valley Community College Effort, noted that 15% of the students are enrolled in distance education and asked what percent are also enrolled in a regular course. She asked if rural people are actually being served, or if something else needed to be done. Mr. Trevor responded that he does not have the exact percentage, and noted that solely on-line education is growing across the country. It is a phenomena they can't get away from.
- 05:34:39 Ms. Clark asked what that group looks like, if it is people new to higher education or those that already have a baccalaureate. She noted a desire to know that the people they want to capture are really being served. Ms. Moe responded that about 67% of students at Great Falls took courses that were both distance and on campus because this reduced their costs. She said there is no way to measure whether the student was also taking a class from another college in the University system.
- 05:37:02 Ms. Clark said she would like to know how many people are pursuing a totally on-line degree and at what education level are they starting from in a place like Ravalli County, where there are no units of higher education. Regent Hamilton felt that the delivery mechanism doesn't matter, it is the idea that the customer is always right. Campuses are packaging programs and course work differently. She said that at one time there were about 85 ITV locations around the state funded by a federal grant program. Almost all the high schools have access to on-line computer programming, but the students must be ready. Even in ITV mode, the support services need to be there behind the course work; someone needs to be there to open up the room, monitor students, and answer questions. It is all about using their money in the most efficient way to get the education they want.
- 05:40:02 **SEN. HAWKS** asked Ms. Clark about her interest in distance learning. Ms. Clark responded her interest has to do with making sure they understand the group being targeted. If they are trying to target people who have not been in a post-secondary environment before, saying distance learning is available isn't enough. If students don't have writing skills or money for a computer, distance learning isn't something they have access to. She wants to have this looked at.
- 05:42:13 Comm. Stearns said that part of the MOA budget was to do some research. She said that so far, research has shown that populations you might not predict are learning more, and are open to distance learning.
- 05:43:22 Ms. Clark discussed Ms. Moe's presentation and noted appreciation for taking this to another plateau. Her impressions of the first draft are that it is with a new name and more effort. She felt there was a confusion of coordination with control. She said that centralized control creates a bureaucracy, and is not efficient. Efficiency means figuring out the best way to serve the student, being flexible and responsive to their need, and that is achieved through local control.

She referred to certain things noted at the previous meeting that would be

measures of success in 2-year education, and the desire to have things data driven, she commented she was not sure what data the model was based on, and didn't find that centralization predicted success, but local control did. Ms. Clark said she has compiled this and will present it as an open letter. She asked the everyone to look for data and present the information with data backup. She commented that when she looked at 14 regional states, it did not suggest that the model that was presented would predict success in this 2-year system.

05:47:40 **SEN. HAWKS** noted they are looking forward to having a copy of her letter.

#### **STATEWIDE WORKFORCE DEVELOPMENT PLAN UPDATE**

05:48:04 Ms. Moe discussed Perkins and Big Sky Pathways. They have submitted an annual report to the legislature. She noted that she and Dr. Brad Eldridge are in the process of doing a '360 review' of their service to the high schools and 2-year colleges served by Perkins, and their progress toward the creation of Big Sky Pathways. They are hoping the results will help them improve in both areas. She has met with three of the community-based organizations, and the work they are doing is right in line with the goals of Perkins.

#### **INDIRECT COST RECOVERY PLAN**

05:50:10 The Office of the Commissioner of Higher Education (OCHE) handout, "Indirect Cost Recovery Plan for OCHE Report", was a report only item and was not discussed.

#### **Exhibit 13**

#### **OVERVIEW OF PROPOSED LEGISLATION RELATED TO MUS**

05:53:09 Jeremy Gersovitz, Staff Attorney, discussed a handout, "Overview of Proposed Legislation Related to MUS". The handout contains a short review of bills determined to be of the most interest to the committee.

#### **Exhibit 14**

#### **Questions from the Committee**

05:53:57 **REP. LAKE** asked about whether the funding source is built into LC0055. Mr. Gersovitz said his understanding was they previously provided funding.

05:55:14 Comm. Stearns noted that the term "vocational/technical schools" in LC0055 is not used any longer.

#### **Public Comment: None**

05:56:11 **SEN. HAWKS** asked if there was anything else to come before the committee.

05:56:38 **SEN. PETERSON** noted there are competing forces for need and want of autonomy in the education systems, vs. transparency and transferability. The Legislature chose to put money into transferability studies and distance learning

research. He feels there is a need and desire for more transparency and transferability within the K-20 system. If money is spent on an information highway, it should be compatible throughout the K-20 system. He felt that the Legislature is leaning that way as well.

- 05:59:51 **SEN. HAWKS** agreed there are efficiencies involved and that is the direction we are going. There is not a lot of revenue available, so this has to be redesigned to find the productivity. The problem is with local control. Those who have studied the issue are seeing a vision of where they have to go, if they are going to compete in the world and make Montana a productive place. In order to cooperate with each other and find efficiencies across the state, less local control, or the appearance of less local control, is necessary in some cases. Part of the job of legislators is to inform the public about what needs to happen with the system, listen to them, and keep them informed as things change.
- 06:01:34 Regent Barrett commented that **SEN. PETERSON** gave an excellent analogy. He senses there is a fear about control, and stated that gathering data and control are two different things. There can be totally integrated electronic systems like the credit card companies have and they each run their own business. Community colleges do not have to relinquish any control. People need to understand the difference between gathering data and what is done with the data. It is just information, and doesn't make any decisions on its own.
- 06:03:02 Ms. Lombardi said **SEN. PETERSON** really brought up two points. One is connectivity that is more electronic in nature and is taking advantage of the "E World", the other is connectivity in terms of the data that speaks to the consumers partaking in the "E World". She felt that compels the State to make sure both of these are happening. Her observation was that the Legislature has invested in an education data system that is focused on the student from K-12 through higher education and into the work force. In regard to the connectivity piece, it is important for rural students especially to be part of the "E World". She said they are looking at that in their conversations to see how they can leverage the resources and have a more effective information highway.
- 06:05:39 **SEN HAWKS** noted another observation as they look at best practices of states that are ahead of this restructuring. He said they have begun to accept the adage that 'you can't manage what you can't measure'. There is no need to be intrusive from a privacy standpoint or from trying to manipulate a system. Local control is necessary to provide some guidance and understanding of the background.
- 06:06:21 Ms. Moe also noted this was a good analogy. They are trying to create the efficiencies and transparencies with the integrated information system. She said that all eight units of the MUS use Banner, but they use it in a different way. Data would be instantly available with a transparent system. There would be no need to rely on a survey questionnaire with a low return rate.
- 06:07:55 **REP. LAKE** followed up that this is not an easy or short process. There are over

400 school districts in Montana to connect into the higher education system, and this will require a major investment. In time, that will be well spent. He would like to have them put together a vision of where they want to be, get that sold to everyone, and then approach the general public.

06:09:32 **SEN. PETERSON** noted there are three issues; local control, the electronic world we live in, and the growing gap between rural and urban society. While he is a big proponent of local control, there are some basic things that need standard sideboards established so that the system works. He said there is a need to build a bridge like the financial world has, and he is convinced this has to happen if education is going to be delivered to both rural and urban areas in a meaningful way.

**Public Comment: None**

06:11:26 **SEN. HAWKS** adjourned the meeting at 3:15 PM. A letter from David Werner pertaining to 2-Year Postsecondary Education was entered into the record.

**Exhibit 15**

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**SENATOR BOB HAWKS, CHAIRMAN**