



## 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: Alan Peura

# MINUTES

March 13, 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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Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

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#### **COMMITTEE MEMBERS PRESENT**

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

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

REGENT STEPHEN BARRETT  
REGENT CLAYTON CHRISTIAN

#### **EXECUTIVE APPOINTEE**

JAN LOMBARDI, Office of the Governor

#### **STAFF PRESENT**

EDDYE McCLURE, Esquire, Legislative Services Staff  
ALAN PEURA, Legislative Fiscal Staff  
LINDA J. KEIM, Interim Committee Secretary

#### **Agenda**

Attachment #1

## Visitor's List

Attachment #2.

### COMMITTEE ACTION

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

Shared Policy Goals Discussion

Alan Peura, LFD Staff

Tyler Trevor, Associate Commissioner MUS

Two-Year Education Strategic Vision for MUS

Sheila Stearns, Commissioner of Higher Education

2011 Biennium Budget Initiatives for MUS

Sheila Stearns, Commissioner of Higher Education

Alan Peura, LFD Staff

Bitterroot Valley Community College (BVCC)

Eddy McClure, LSD Staff

Alan Peura, LFD Staff

### CALL TO ORDER AND ROLL CALL

00:00:11 **SEN. HAWKS, CHAIR** called the subcommittee to order at 9:00 A.M. The secretary called the roll. (see Attachment #3) Without any objections, he welcomed **SEN. LAIBLE** to the table.

00:01:45 The minutes from the December meeting were unanimously approved. Alan Peura, LFD Staff, noted several housekeeping details. **SEN. PETERSON** asked for a hard copy of attachments which were previously sent via email. **CHAIRMAN HAWKS** introduced the first agenda item.

### SHARED POLICY GOALS DISCUSSION

#### **CONSIDER UPDATED MEASURES**

00:06:30 Alan Peura discussed the last page of the Shared Policy Goals and noted the two updated decisions that were under consideration for measures. Mr. Peura reviewed and elaborated on each page of the Shared Policy Goals.

#### **Exhibit 1**

#### **CONSIDER GOAL & MEASURES ON REMEDIAL/DEVELOPMENTAL COURSEWORK**

00:21:14 **SEN. HAWKS** introduced Tyler Trevor.

00:21:27 Tyler Trevor, Associate Commissioner Montana University System (MUS), discussed the goal and measures on remedial/developmental course work. He also noted remediation rates; i.e., the percent of recent Montana high school graduates enrolling in remedial math or English in the fall semester immediately following graduation.

#### **Exhibit 2**

- 00:23:33 **REP. LAKE** noted the jump between 2004 and 2005, and asked whether the entrance requirement changed or whether schools are just not producing students at that level.
- 00:24:07 Mr. Trevor replied that the Great Falls College of Technology began offering remedial courses on the Bozeman Campus, and this created an increase in availability.
- 00:24:51 **SEN. PETERSON** asked if there was any history of why they enrolled, whether it was a university recommendation or whether it was self-motivated.
- 00:25:14 Mr. Trevor answered that ACT scores usually are used for placement and admission. They are able to relate the scores directly back and evaluate whether remedial students are being placed at their own choice, or following a recommendation based on ACT scores. Remedial English students have 5.0 lower score on the ACT than those who don't take remediation. This shows a definite need.
- 00:26:17 Jan Lombardi, Office of the Governor, asked what they intend to measure:  
1) Why isn't the University System measurement system articulating and aligning entrance standards so that they are incorporated into the K-12 system for exit standards?  
2) Was there any consideration for engaging the schools of education in the conversation, so that a measurement standard would be how the schools of education train high school teachers to make college entrance standards readily understood?  
3) How does the collaborative nature of basic adult education fit into this remediation conversation?
- 00:28:24 Mr. Trevor answered that an increase in a remediation rate could mean they are doing a better job. If there were an increase in two-year educational institutions, an increase in non-traditional enrollment could produce an increase in remediation. He said that detailed follow-up reports are produced for every measure in the strategic plan and shared policy goals. Behind the remediation report is a high school follow-up report that tracks all recent high school graduates to the university system. This is not done to track them for remediation, but to identify their college continuation rates by county and by high school, the percent enrolled in remediation, and their persistence rates. This report follows them throughout their education.
- 00:30:24 Commissioner Sheila Stearns commented that one of the reasons they have better data is because they now have 8,000 high school students taking the Montana University System (MUS) writing assessment. They have had a major alignment process connecting K-12 with MUS. While this alignment may result in increasing remediation, she noted that it appears to be driving down the need for writing remediation in some schools. Ms. Stearns indicated she was not prepared to address the third part of Ms. Lombardi's question.
- 00:32:25 **REP. LAKE** asked whether higher education currently has a signed document

with the secondary educational system, so that both groups are working on the same goals and using the same manner to get there.

- 00:33:27 Commissioner Stearns said they do not. Currently, the Kindergarten to College Work Group, a combination of the Board of Regents and the Board of Public Education, is facilitating that. She listed three of the four major areas they picked to reach agreement on: developing common data, raising high school graduation rates, and reducing remediation. Linda McCullough has made a major project of college readiness in the high schools, and they are developing common data systems to connect high school transcripts to the university system and track them. They will be able to identify group patterns of success.
- 00:35:56 **SEN. HAWKS** asked how reliable the statistics are, and how they would relate to open enrollment policy when anyone at the last minute can decide to enroll in the university system.
- 00:36:42 Mr. Trevor answered that entrance qualifications are based on higher academic profile. Colleges of Technology (COT) and community colleges are open admissions, and they use assessment tests to place students and identify those who may need remediation. Institutions with higher academic entrance scores and requirements have less need for remediation, but they need to be connected to a tiered system that has mission differentiation. A primary component of two-year institutions is to provide developmental education. One reason for widespread remediation is because they don't have high entrance requirements.
- 00:38:01 **SEN. HAWKS** asked if there is a way to analyze data and determine whether this is a regional or a national problem.
- 00:38:19 Mr. Trevor answered that nationwide statistics on remediation show the average remediation rate for four-year institutions is 20%. MUS rates are in the 30's, and that is directly related to the degree of selectivity. Nationwide, a two-year institution has an average remediation rate of 40%. MUS rates are similar.
- 00:39:13 **SEN. HAWKS** pointed out the need to treat these statistics with caution, as they may not give absolute measures.
- 00:39:31 Mr. Trevor noted there is a budget initiative addressing remediation, and said he will discuss it later. It is directly connected to using quantitative assessments in the high schools to identify expectations for success in college.
- 00:40:25 Jan Lombardi, Officer of the Governor, asked what the remediation rates are for neighboring states.
- 00:40:59 Mr. Trevor said states have varying ways of measuring remediation, and it is not consistently measured between states. He did not have individual state data. Ms. Lombardi suggest that it would be good to see how that fits in with the number of students in Montana that take the ACT test.
- 00:41:52 **REP. HAMILTON** asked if remedial English students are placed because of the

freshmen writing sample that they take the summer before entering the university.

00:42:12 Mr. Trevor noted there are up to 8,000 students taking the test. There are 10,000 graduates, and 6,000 of them enter higher education. 50% of the 6,000 enter the university system. He felt that most of those requiring remediation in English are being assessed because of that test.

00:42:37 **REP. HAMILTON** asked if they are using the ACT test for math. Mr. Trevor said that was correct.

00:42:49 **SEN. HAWKS** asked Mr. Trevor to discuss the next topic on the agenda.

### **CONSIDER GOAL AND MEASURES ON FACULTY/STAFF RETENTION**

00:42:51 Tyler Trevor, Associate Commissioner Montana University System (MUS), discussed the goal and measures on faculty/staff retention and handed out a salary and benefit comparison. For the first measure, he compared the average faculty salary by institutional type to regional peer benchmarks. The second measure compares average faculty/staff retirement benefits to regional peer benchmarks.

#### **Exhibit 3**

00:44:50 **SEN. HAWKS** asked if there were questions. There were none.

### **SUBCOMMITTEE QUESTIONS/DISCUSSION**

00:45:15 Regent Barrett expanded on Ms. Lombardi's comments regarding shared goal #1. He felt that the goal is a laudable one, but they have limited ability to directly reach into K-12 to affect Shared Goal 1 (Exhibit 1). He asked the committee to be aware of their inability to control the process.

00:47:33 **REP. LAKE** agreed with Regent Barrett that to have a goal of something that cannot be measured or dealt with becomes a goal that is questioned. He felt they have a responsibility to the educational system to offer advice and perhaps some direction. Whether a committee needs to be formed by statute or not, they need a working committee that puts the Board of Public Education and the Board of Regents at the same table. He stressed putting goals in writing and the need to work toward common goals. He felt they would at least have the shared information that gives the opportunity to get to the solution, and might resolve their concern.

00:49:51 **REP. LAKE** questioned if they are asking for a report on status from a working committee through the Board of Education. He said that reporting is really status and explanation, rather than stating a specific goal on percentage.

00:50:29 **SEN. PETERSON** agreed that having a working committee bring the University System and the Board of Public Education together would also help give more efficient delivery. This would also take advantage of the expertise of the

University System, particularly in the delivery of distance learning, on-line courses, and dual credit courses within the K-12 system.

- 00:52:24 Commissioner Stearns commented that the Legislature should do more in writing. She would like to put this on the June agenda. The University System could give status reports that would give the committee better information than has been made available so far. The Task Force of the Board of Public Education has been working with negotiations on distance learning, and progress reports would give reassurance that more collaborations are occurring than previously.
- 00:54:48 **SEN. HAWKS** emphasized that the committee is at risk in setting up goals where there is no control, and it may look like failure is being reported. He noted that those legislators who are not involved here will have difficulty understanding, and hold it negatively against the system. He would like to see a qualifier inserted to the effect that status and perspective would be reported by the Board of Education through the Board of Regents.
- 00:55:43 Regent Christian noted that to some extent the four goals are being addressed in K-12 through the Board of Education, and noted that the fourth goal Commissioner Stearns discussed earlier is the dual credit. He felt **CHAIRMAN HAWKS** was on the right track: strengthening involvement with the K-12 work group to get status, not necessarily statistics.
- 00:56:24 Regent Barrett agreed that would be appropriate. He had heard they were in the process of resolving the issue, but felt that putting something in writing would be the best way to do it.
- 00:57:15 **REP. HAMILTON** said they currently have tools to measure, but it is voluntary, and many are not taking advantage of the tools.
- 00:58:01 Commissioner Stearns stated this will be addressed in the Budget Initiative this afternoon when they reference the need to strengthen the University Writing Assessment to make it easier for high schools to participate. They have built this up to reach 8,000 students taking it per year, many on-line, which is a real success story. She said it is probably the best assessment in the country, but they are not reaching enough students. By not taking the assessment as a junior, that high school student did not have a chance to work on those skills.
- 01:00:00 **REP. LAKE** commented that people in office will change all through the education system with an election and new appointments. He would like to put something in writing to encourage an agreement between the Board of Education and the Board of Regents to work on shared policy toward the output of the Secondary System and entry into the Post-Secondary System.
- 01:01:25 **SEN. HAWKS** noted that **REP. LAKE** is asking for more continuity in the system in reporting, and stated that they are in the position of asking, not mandating. He asked the committee if they were in agreement with Shared Goal #1, and they stated they were. He then asked for Public Comment. There was none.

- 01:02:17 **SEN. HAWKS** asked Mr. Peura to discuss correct language. Mr. Peura explained his thoughts on the correct language addition to Shared Goal #1. He noted staying with the bullet point at the bottom of the first page of Shared Policy Goal #1 that says: "Decrease the percentage of recent Montana high school students requiring remedial/developmental course work in the University System, as measured by..." Then replacing the bullet of the measurement by a wordsmith statement that they could work on, i.e., "As measured by a joint report from the Board of Public Education and the Board of Regents that addresses the status of efforts to align academic standards and enrollment standards that may lead to a shared policy between these two institutions." He explained that the measurement would be a report from the two bodies that may eventually lead to a shared policy statement about aligning K-12 academic standards with University System enrollment standards.
- 01:04:09 **REP. HAMILTON** moved to accept the proposed language in Shared Goal #1. **Motion to accept Shared Goal #1 as amended passed unanimously.**
- 01:04:52 Mr. Peura noted that Shared Goal #2 would stand as approved in a prior biennium by this subcommittee and the Board of Regents. **SEN. HAWKS** noted this is an unchanged goal that comes for a stamp of approval to continue. He asked for discussion, and there was none.
- 01:05:04 **REP. LAKE** moved to accept Shared Goal #2 as written. **Motion to accept Shared Goal #2 passed unanimously.**
- 01:05:34 **SEN. HAWKS** asked for Public Comment then, as he had forgotten to do so before the vote. There was no Public Comment on Shared Goal #2.
- 01:05:57 Mr. Peura began discussion of Shared Goal #3. He asked the committee to segregate the next two decisions, which would be Shared Goal #3 as presented here, separate from the proposed new Shared Policy Goal related to Faculty and Staff Retention. He said that staff did not have a recommendation whether that should be part of #1, #2, or #3, and if approved, where to place a Shared Policy Goal on Faculty and Staff Retention. Shared Policy Goal #3 did have staff recommending common course numbering as a change in the measure.
- 01:07:22 **SEN. HAWKS** asked for discussion. There was none. He then asked one of the Commissioners to comment on the implied goal of increasing shared common course numbering so more courses are transferable. He specifically asked if there was any internal conflict to keep the course content quality up where it needs to be for the University System.
- 01:08:05 Commissioner Stearns noted that there is indeed, some conflict, which they are working through. She said the problem is quality. Currently 12 discipline groups are discussing this. They don't want a student to transfer an anatomy and physiology class just because it has the same title, and not have it be 75% to 80% of the same level of achievement of the students in it. Or, have them transfer from a two year to a four year college where the outcomes are very different, thereby setting a student up for failure. She said it is difficult work, and

they want to make this happen as quickly as possible. They are committed not to sacrifice quality in the process, but to work toward student success.

- 01:10:18 **SEN. HAWKS** commented that from a legislative perspective, it would fall on the good judgment of the University System as to the number of courses that have common numbering. He asked if there were a comfort level with the way this goal is written, so they won't have expectations that aren't being met.
- 01:10:52 Commissioner Stearns stated they will have a report in June as to how they have begun common numbering. They will follow this up with a report in September, and a report to the Subcommittee in the Legislature in January demonstrating benchmark progress. They will have done a significant number of some of the most frequently transferred courses, but not all.
- 01:13:14 Regent Barrett assured the committee that progress is being made. He stated that the better measurement now is not how many of the 10,000 courses have been commonly numbered, but the number of students that are in the courses.
- 01:14:46 **REP. HAMILTON** noted that the bullet in Shared Goal #3 reads "all" undergraduate courses, and as noted, 400 level courses aren't transferred very often. He asked for more discussion on using the word "all", as it will be only the most frequently transferred courses.
- 01:15:12 Commissioner Stearns noted that to some extent they would start with a few disciplines in which the faculty can set the model for the others, and in some instances, they will be doing a mix of courses. She asked Mr. Trevor to elaborate because of his prior experience in Nevada in 2000.
- 01:16:37 Mr. Trevor said the real key to this goal is that all undergraduate courses must go through the process, not necessarily be numbered. It is a benchmark. It is critical to get English 101, etc. but it has to be a discipline by discipline process. When there is common numbering between 11 institutions and they switch one number, it has a trickle down effect, and there is an exchange between levels. This measure is designed to let this Committee know that the University System is making progress.
- 01:17:38 **SEN. PETERSON** asked if would be possible or practical to insert a general recommendation in the system efficiency category with the Board of Education as well as the Board of Regents, along the lines that **REP. LAKE** mentioned earlier to keep this on the table. **SEN. PETERSON** said he is following up on **REP. LAKE'S** request for something in writing to recommend the continuing work of this workforce in collaboration between the Board of Regents and the Board of Education.
- 01:19:16 **REP. LAKE** commented that perhaps the Education Committee as a whole should look at this as an education goal. He would like to see in writing, that goals between the Secondary Education System and the Post-Secondary Education System should be shared goals.

- 01:21:13 Regent Barrett agreed with the idea to get something in writing. He said that by definition, common course numbering is a higher education issue, and he did not see an overlap. He agreed with the other goal.
- 01:22:00 **SEN. PETERSON** said he did not intend this to be part of the common course numbering discussion. He intended for it to be a separate statement within this section, under the umbrella of system efficiency, under a separate bullet.
- 01:22:55 **SEN. HAWKS** suggested they are getting off course, as they are dealing with shared goals. The shared goals relationship between the Legislature and the University System could be equally good with K-12, as would the inter-coordination of the two systems.
- 01:23:56 Ms. Lombardi expressed the wish that the committee across the hall could come over so there could be a shared conversation, because they are having a conversation similar to this one. The Governor is committed to having an 'Education For Life' focus in Montana. This conversation is all about how we can collaborate in educational goal setting for the citizens of Montana. The more shared dialogue that involves K-12, the Superintendent, the Commissioners, the Regents, the Board of Public Education, and Legislators in that discussion, the better we will be.  
Ms. Lombardi noted that it is the transparency process that helps students become better consumers about whether courses will deliver or not. She asked about clarity in computerized transparency in the online process.
- 01:25:52 **SEN. LAIBLE** discussed shared leadership between Office of Public Instruction (OPI) and Board of Regents. He would like to see education start at 'K' and end at higher education, whatever that happens to be, so that we have some transition and continuity. He said that might solve some of the other challenges, such as remedial work, dual credits, etc. He felt that if everyone is at the table, there is problem solving being done on both sides. He asked Mr. Peura whether this would fit within the shared leadership doctrine.
- 01:27:30 Mr. Peura commented that his thought is whether this Subcommittee wants to pursue a separate issue and make a recommendation to the K-12 subcommittee at some point. That would be to identify whether there should be a separate three way shared policy document between the Board of Public Education, K-12, the Board of Regents, the Legislature, and the Executive, that specifically addresses those transition issues. If the Committee was interested, staff could create a separate document that is a product of a joint multi-way discussion.
- 01:29:12 **SEN. LAIBLE** said he liked the idea. He felt that way they look at the possibility of creating another shared document to address those issues.
- 01:29:49 Commissioner Stearns said that if the interest is such, the Kindergarten to College Group could make a presentation at the June meeting on the four Shared Policy Goals they have developed. It has representatives from the Board of Public Education, the Board of Regents, as well as a parent representative and a student representative. That might be a place to start.

- 01:30:59 **SEN. HAWKS** thanked Commissioner Stearns for bringing that back into the discussion. Ms. Lombardi expressed regret that she will not be in the State for the June meeting. **SEN. HAWKS** responded that they were open for the Governor to join them if he would like to.
- 01:31:20 **REP. LAKE** stated he would like to consider bringing this discussion to the meeting tomorrow, as a suggestion to an appointed committee that is already formed, that they would prepare a shared goal for reporting on at the June meeting, to be finalized before they finish up in the fall.
- 01:32:01 **SEN. HAWKS** indicated he will include that topic in his report for tomorrow's meeting. **REP. LAKE** noted he would like to bring this suggestion in the form of a motion. **SEN. HAWKS** agreed to specifically note that in the report.
- 01:32:35 **SEN. HAWKS** asked for Public Comment on Shared Goal #3.

#### **PUBLIC COMMENT**

- 01:32:55 Mary Sheehy Moe, Dean and CEO, Montana State University-Great Falls addressed the Committee. She noted that 1) The Transfer problem is not just one of identifying equivalencies, but of communication. Common course numbering is helpful, but won't solve the problem, especially during the transition period. There will still be a need for the campuses to communicate with students about what transfers and what does not. 2) The use of the word 'quality', and confusing that with the issue of equivalency. The real issue is to make sure that courses they say are equivalent really are equivalent. There was no other Public Comment.
- 01:34:58 **SEN. HAWKS** asked for a Motion on Shared Goal #3, and noted that it has not been decided to include the new proposed Shared Goal in this section at this time. **REP. LAKE** moved to accept the first part of Shared Goal #3 as presented on pages 3-4, prior to the new addition. **Motion to accept Shared Goal #3 passed unanimously.**

#### **CONSIDER GOAL AND MEASURES ON FACULTY/STAFF RETENTION**

- 01:35:58 Mr. Peura discussed consideration of the proposed new Shared Policy Goal on Faculty/Staff Retention, and, if approved, whether to make it linked to Shared Goal #1, #2, or #3. Ms. McClure asked for clarification. Mr. Peura indicated there are no changes from that written and highlighted on the last page under "Proposed New Shared Policy Goal for PEPB Consideration". **SEN. HAWKS** asked if Staff had any recommendation. Mr. Peura indicated that Staff's only recommendation is that they want to make sure the legislative members of the subcommittee recognize that items like pay and benefits packages are solely within the discretion of the regents. The Legislature can only make recommendations, and ways of measurement would probably go across that murky line.

- 01:39:14 **REP. LAKE** commented that he agreed with Staff, that this is an area that is out of legislative control. He felt it would be legislative micro-managing, and indicated he would be reluctant for the Legislature to make a move like that.
- 01:40:06 Regent Christian said he thought there would be a number of initiatives that come out of Subcommittee Budget Proposals that address recruitment and retention issues as a whole. He indicated the Board of Regents would deal with the specifics. He would like the Subcommittee to bring in some support for the need to address the retirement plan and a proposed plan to create a pool of funds they can use to address specific shortages at certain campuses.
- 01:41:00 Regent Barrett commented that this overstates the goal. He agreed with **REP. LAKE** that this is a touchy issue, however he felt that Mr. Peura articulated the caveats that might go with it. He said this is something in which the Subcommittee is interested in seeing the result, which is different than a goal. Some precautionary language might allow it to be brought to everyone's attention without putting it in print.
- 01:42:11 **SEN. HAWKS** summarized that this is a goal of reporting background and comparisons to the Legislature on a regular basis.
- 01:42:31 **SEN. PETERSON** expressed concern that this goal includes only two factors out of a number of factors that might be included in the issue of improving faculty and staff retention. He did not oppose the measurement or the reporting status, but felt this goal is trying to address only two pieces of a multiple piece decision. He agreed this is in an area the Legislature has no control over.
- 01:43:52 Ms. McClure commented at length on the 'murky line' issue and noted the word 'comparative' in the goal. For example, our region is next to last in salary; what the committee is saying to the Legislature is, we want to be competitive. She emphasized that as long as the Regents and the Legislature agree, there is no problem. The problem comes when the Legislature imposes something on the Regents that is clearly outside our domain. This is why we do these shared policies.
- 01:46:20 **REP. HAMILTON** commented it is crucial when it is hard to attract faculty, that university officials can point to a document like this and say that the Legislature considers this important. They can say it is an item of concern and they hope to improve the situation.
- 01:47:01 **SEN. HAWKS** commented on the status report at the last PEPB meeting on salaries and the apparent effect they were having. In at least one institution, there was a 50% turnover rate related to employees seeking higher salaries in other locations. He considered this to be an important issue, and said it is up to the Subcommittee to decide whether to include it in their goal setting.
- 01:47:47 Regent Barrett indicated this was awkward, as he felt he was pushing back against something with which he agreed. He said he is only concerned with the 'murky line', and would defer to Ms. McClure. He felt this was where they wanted

to go, but they need to be careful how it is worded because of how some may read it in a few years.

01:49:14 Ms. McClure said that if they were challenged, as an Attorney for the Legislature, she would say the Legislature could not dictate to the Regents.

01:50:21 **SEN. LAIBLE** directed committee attention to the goal on the front page of the document. "It is the intent that PEPB will then use this document to move forward with budget initiatives for the 2011 biennium budget... He noted that is the goal of this document, and said that Regent Barrett is probably having trouble with some of the language because it is shared as a 'goal'. He suggested using 'shared policy review process' instead.

01:51:17 **REP. LAKE** made a motion to segregate that section away from the document and deal with it at a later date. He noted that both sides are already working on this. He stressed that he is not uncomfortable with the document and the explanations they have heard today.

01:53:36 **SEN. HAWKS** asked for a Voice Vote, which was inconclusive.

**REP. LAKE** clarified his motion by saying that he felt when they talk about goals, they are in an area they aren't quite ready for at this point. He did feel they are ready to move forward on the final document. He said he made the motion to segregate that section away from the document, so as to deal with it later.

01:54:01 **SEN. HAWKS** noted the restatement of the motion and asked for a Roll Call Vote. **The motion to segregate Shared Goal #3 passed by roll call vote, with SEN. HAWKS, SEN. PETERSON, REP. LAKE and Regent Barrett voting yes, REP. HAMILTON and Regent Christian voting no. (Attachment #4)**

01:55:00 Alan Peura indicated his followup plan. He will bring back a final document for Subcommittee consideration at the next meeting. He will work with **SEN. HAWKS** for future consideration of the faculty and staff retention issue separate from this as a Shared Policy Goal document.

01:54:24 **SEN. HAWKS** called for a five minute recess.

#### **TWO-YEAR EDUCATION STRATEGIC VISION FOR MUS**

02:01:30 **SEN. HAWKS** called the Subcommittee back to order and introduced the next topic: Two-year Education Strategic Vision for Montana University System.

02:02:28 Tyler Trevor gave a presentation called "Planning for a More Coordinated 2-Year Education Delivery System".

#### **Exhibit 4**

02:32:13 Commissioner Stearns gave a detailed response to questions that **SEN. HAWKS** and **SEN. LAIBLE** jointly provided earlier (Exhibit 5). She said she will discuss

the 'Making Opportunity Affordable Grant' later (Exhibit 6).

**Exhibit 5**  
**Exhibit 6**

02:56:46 Break for lunch

03:19:23 **SEN. HAWKS** called the Subcommittee back to order and asked for questions.

**SUBCOMMITTEE QUESTIONS/DISCUSSION**

03:19:43 **SEN. LAIBLE** asked Commissioner Stearns whether they are moving toward having colleges that are a stand-alone two year system using the administrative and infrastructure resources of the four year system.

03:21:41 Commissioner Stearns clarified that she recommends a network, or 'system', of colleges, where they are sharing best practices and they are under the governance or supervision of the Board of Regents. She stated that it might change some of the funding and governance, as there is divergence in the amount of funding per student across the State. In terms of delivering two year education fairly across the state; a stand-alone network would be able to consistently respond in a way that is not confusing to high school counselors, parents, families, prospective students, and distance learners.

03:24:11 **SEN. LAIBLE** noted that is the real strength of a stand-alone system. With a deputy commissioner that reports directly to the Board of Regents, and a separate budget, then it becomes a two year system. They would be parallel, not competing systems that compliment one another. Because the infrastructure was shared, this would reduce the cost of both two and four year systems. He suggested that each college could have its own community board to oversee it, to be sure they have their independence.

03:25:54 Commissioner Stearns said it is up to the Board of Regents to say how close they are, as it is a complex issue. For example, funding for Tribal colleges is \$900,000/year; about \$3,000 per FTE. That is not toward Indian students, that is toward the non-beneficiary students who are using that as their community college in their region. She stressed that there are vast disparities in funding that is provided toward access to two year education. Ms. Stearns stated the University System and the Subcommittee are not totally on the same page.

03:27:20 **SEN. LAIBLE** noted that tribal colleges are a sovereign entity, so our only responsibility is for the non-Indian students that also participate.

03:27:50 **SEN. LAIBLE** asked Mr. Peura to elaborate on his research with neighboring states that have a similar system to what has just been discussed.

03:28:51 **SEN. HAWKS** said he has asked Mr. Peura to be brief on this subject, as these comparisons will be addressed further by the committee that is being formed, by the Grant they have received.

03:29:13 Mr. Peura said he researched Wisconsin, Michigan, N. Carolina, and Utah to identify some commonalities as Montana goes through a similar discussion. He stated that he is just getting started on this.

03:30:41 Regent Barrett stressed this is another entire level of work in progress, and they have to be careful they are not disruptive to the current students. However, he does not feel they will wait for the conclusion of the Grant data results before starting the process.

03:31:53 Ms. Lombardi stated that the Governor also wants to get this done soon.

### **PUBLIC COMMENT ON TWO YEAR EDUCATION STRATEGIC VISION**

03:33:19 Victoria Clark, with the Bitterroot Community College effort, commented on several slides in Mr. Trevor's power point presentation (Exhibit 4).  
Slide 7, Higher Education Centers. Libby is only a branch campus of Flathead Community College, and Hamilton only has a proposed center; Great Falls and Helena COT function only as bringing upper education courses...  
Slide 22, Expectations for 2-Year Education. Of the five possibilities: only two are for credits; three are non-credits, funded by local tax dollars...  
Slide 23, Outline of Planning Process. More input needed from *potential* students. Non-Traditional distance learners need a real person to encourage and support them in entering distance learning...  
Slide 28: Affordability. Local people need to provide more investment in these institutions and they need authority in how to levy and adjust tax.

03:42:08 Jane Karas, President, Flathead Valley Community College (FVCC), discussed Slide 40. She said that Community Colleges are very cost effective; FVCC Revenue per student for 2006 was \$7,027. She stated that if all local appropriations restricted for adult basic education, public service and continuing education were included, all the continuing education students would need to be included, and the cost of education would drop below \$5,000/FTE.

03:43:49 Stephanie Hicswa, President, Miles Community College commented that the more two year colleges are governed by a four year system, the more they begin to look like them. She said, "The esteem in which two year units are held in a particular state communicates value and quality to students who are going to receive that education".

03:45:14 Mary Sheehy Moe, Dean and CEO, MSU-Great Falls, stressed the importance of some level of autonomy of the two year sector, especially for the COT in the MSU system. She said they need to rely on the resources of the system, particularly the four year campuses. Both a change in name and curriculum processes will be necessary. She applauded **SEN. LAIBLE**'s description of the vision he heard and said the next phase will be difficult, but has to happen. She noted the need for looking at the relationship with regional high schools. She stressed that the real distinguishing feature of a COT is their attitude toward students which makes each student feel valued and be valuable.

03:48:35 There was no further discussion from the public or from the Subcommittee. **SEN. HAWKS** noted a growing understanding of the 'murky line' and assured respect for University System independence. He commented that the report is excellent, and said that we cannot create a system in isolation. This provides the opportunity to receive the services we need, coordinate with the rest of the country, and still be unique.

03:50:12 **SEN. HAWKS** asked Mr. Peura if any action needed to be taken. Mr. Peura noted no action points were received on this issue. **SEN. HAWKS** thanked Mr. Peura and Ms. McClure for all their help and introduced the next topic.

### **2011 BIENNIUM BUDGET INITIATIVES FOR MUS**

03:51:48 Mick Robinson, Associate Commissioner for Fiscal Affairs, MUS, commented on the process they use as they develop their proposed budgets. Mr. Robinson also handed out and discussed 'Present Law and Pay Plan Budget'. This summary includes the Present Law process, and Pay Plan estimates for the University System, as well as a computation they think is the funding necessary to adequately fund the existing base of operation in the University System. The Present Law Budget needs to be approved by the Board of Regents at the May meeting, so it can be included in Executive Budget discussion.

#### **Exhibit 7**

04:00:07 **SEN. HAWKS** noted the ceiling on tuition increases for out of state students, and asked at what point they would lose out of state students if tuition went much higher.

04:00:55 Mr. Robinson stated there is a difference of opinion on the campuses. MSU-Bozeman is very concerned, and they have the highest non-resident tuition in the State. There was a 3.5% increase this fiscal year that has not had a significant impact. The Missoula campus feels they have more latitude in non-resident tuition. They are looking at the individual campuses to address the issue, as well as more opportunities to recruit. The WUE (Western University Exchange Scholarship) is one means to attract more non-resident students into the State. That tuition is set at 150% of resident tuition by Agreement. They are also looking at the waiver or tuition discount approach to provide a \$1,000 to \$2,000 reduction in tuition to attract a non-resident student. The net tuition they would pay would be substantially more than the cost of education for that campus. Non-resident students exist most at the larger campuses. They are looking at the total and where the total cost of tuition would compare to surrounding states.

04:03:21 **SEN. HAWKS** noted tuition waivers in the last budget cycle presented an alarming line item, and asked to have that topic put on the Agenda of the Regents to face the issue squarely and address it as well as they can.

04:04:04 Mr. Robinson agreed that it was a large number. He added that most of the growth in the waiver category was in Native Americans and staff dependents. One reduction in waivers came from high school honor's scholarships. The Governor's Best and Brightest program allowed that trade off.

- 04:05:10 **SEN. HAWKS** suggested that partial waivers may be another solution.
- 04:05:15 Ms. Lombardi commented on the WUE Student program and the possibility of using it to grow the State's economy through particular areas of study needed by the current workforce to affect their workforce delivery system..
- 04:06:18 At this time, Mr. Robinson discussed the second part of his presentation, 'MUS 2011 Biennium Budget Initiatives System Concepts'. He said that these new proposal concepts were presented to the Regents at the January meeting, and have been revised and streamlined by the campuses. They may be revised again in May. They were designed to address the strategic plan of the Board of Regents, as well as the Shared Goals of this committee.
- Exhibit 8**
- 04:18:29 **SEN. HAWKS** made note of a dental study, HJR 22, that a Subcommittee of this group is currently working on. He said that Mr. Peura and Tyler Trevor can be good contact points in that process.
- 04:18:56 Commissioner Stearns distributed the College Readiness/ Remediation Initiative proposal "MUS 2011 Biennium Budget Planning-New Proposals (January 2008)" so that the Subcommittee would have more information about a topic that came up earlier in the day.
- Exhibit 9**
- 04:20:28 **SEN. LAIBLE** addressed Mr. Robinson and the Initiatives, asking about the cost of the Initiatives. Mr. Robinson said that the cost of just the Initiatives is about \$65m. He explained that the Initiative presentation is in addition to the \$60m Present Law Pay Plan Estimate. **SEN. LAIBLE** asked if the Initiatives included the new campus at Missoula COT. Mr. Robinson said that would be part of the long range building program presentation. That proposal was not brought to this committee. He said that **SEN. LAIBLE** was referencing proposed construction for the COT in Missoula. The projected dollar amount, \$32m, was for a 100,000 square foot building and includes some infrastructure on the South campus. **SEN. LAIBLE** asked if Missoula had a COT already. Mr. Robinson said that there is, and the facility is the old Vo-Tech, built in the 1960's. It does not have the capacity or construction to address current two year education needs.
- 04:24:42 **SEN. LAIBLE** asked about other higher learning centers and where that information was located in the Initiatives.
- 04:25:21 Ms. Stearns stated that the proposed Higher Education Center in Hamilton, or any others, are currently self-funding. It might need to be a line item in the next biennium if it needed to grow due to other development in that area. No specific request was made from the University of Montana in this budget.
- 04:26:05 **SEN. LAIBLE** asked Ms. Stearns if she was saying that none of the Higher Education Learning Centers would be included in the ultimate Strategic Plan.
- 04:26:21 Ms. Stearns said that what she thought she said was that they would be doomed

to fail in this effort if they don't sort out what role the Higher Education Centers had, as compared to the colleges around the State. She stated that the Higher Education Centers may be somewhat outdated. They were established before distance learning became well established, also they were originally intended to extend only to nearby communities for completion of high school. She said they need to solve the vision for two year education first, then sort out whether to establish more higher education centers.

- 04:27:34 **SEN. LAIBLE** asked if the Initiative process includes the creation of a two year system at Bozeman, or if there is an existing system at Bozeman.
- 04:28:00 Ms. Stearns said Bozeman has the delivery of MSU-Great Falls. They use the experience, support, and some of the infrastructure of College in Great Falls.
- 04:28:51 **SEN. LAIBLE** noted they are expanding, and will have a four year institution, with a two year institution that may share some of Great Falls, but it will have its own program. Ms. Stearns asked Regent Barrett to address that.
- 04:30:05 Regent Barrett said they are working on the 'vision', but any of the possibilities could occur. Discussion of the Bitterroot has brought in the concept of two year education. They won't be able to articulate and also deliver a 'vision' in the span of a biennium and still take care of the people already in the system.
- 04:31:36 **SEN. LAIBLE** thanked Regent Barrett and noted we are all looking for a strategic plan. He said that it won't be one plan. It may evolve over two to three sessions, as they implement the plan going forward.
- 04:32:07 Ms. Stearns thanked **SEN. LAIBLE** and noted he said that very well. She said there is a high priority investment in two year education. It is placed there as a place holder. All five COT over the past 30 years have eroded until the last four years when there was considerable investment in three of them. Next in line are the facilities at Missoula and Butte.
- 04:33:28 **SEN. HAWKS** added that his observation is that institutions that are attempting to respond can't wait for everything to fall into place. These are spinoffs that are meant to be more or less self-supporting; it is a time of transition.
- 04:34:01 Regent Barrett added he wanted to stress something President Hicswa said this morning; essentially, the value of these two years is going to be the esteem we place on them. He stressed keeping in mind that the perception of value has not been created in the minds of the citizens. The value is there, but it is necessary to make them perceive the value. He said that more discussion gives value.

#### **PUBLIC COMMENT ON 2011 BIENNIUM BUDGET INITIATIVES FOR MUS**

- 04:35:25 Jane Karas, President, Flathead Valley Community College (FVCC), commented on Exhibit 7. She said that in Statute, Community Colleges are funded through a different methodology than the University System. She said they are not funded under base plus Present Law model rather, the Legislature sets the by formula.

The formula is based on FY08 as the base year to calculate the cost of education, and the numbers may give an idea of what the Commissioner's office is looking at for Community Colleges, but this may not be completely accurate.

- 04:36:52 **SEN. HAWKS** asked whether current economic trends would change the prediction on student population.
- 04:37:12 Ms. Karas stated that enrollment, i.e., head count and FTE at FVCC, increased by 9% this year, and they expect the trend to continue.
- 04:37:47 Ms. Stearns said they asked the three community colleges for the best information they could. She agreed that it is an approximation, but they have to go with what they know.
- 04:38:09 Dean Moe stated her support for the Commissioner's office Initiative on Proficiency Based Admissions and the college readiness that is involved with it. She stressed the importance of funding the test so that students don't have to pay for it.
- 04:40:04 **SEN. HAWKS** asked for further public comment. There was none.
- 04:40:35 Mr. Peura gave an update on the process and work plan remaining through the interim regarding these 2011 Biennium Budget Initiatives.
- 04:44:10 **SEN. HAWKS** asked if the new Shared Policy Goal is officially sanctioned by the Board of Regents at this time, and if it has been voted upon.
- 04:44:34 Mr. Peura stated that the two Regents that represent the Board have affirmed the Shared Policy Goals. But if the consideration is whether the Regents have been given a chance to act as a whole on the Shared Policy Goal that this committee discussed today, perhaps we should discuss that process.
- 04:45:11 **SEN. HAWKS** stated he was considering having this particular policy goal come back to us at our next session.
- 04:45:29 Regent Barrett stated that if this was the issue that was taken off the table earlier today, they have at least one telephonic Board Meeting between now and their May meeting. They could deal with it then.
- 04:46:35 Regent Christian said the phone conference is next week. If that were too soon, they could act on it at their May meeting and have the response for the June Meeting.
- 04:47:13 **SEN. HAWKS** asked that some thought be given to whether the fourth goal should be attached to the others, or stand alone.
- 04:47:16 Ms. McClure commented that Mr. Peura would get with the Commissioner's office and other Staff and rework the fourth goal.

04:47:47 **REP. LAKE** expressed concern that they do not meet as a combined group and have already pulled one section because of concerns. He still feels this is an area that the legislative body is stepping into that is very 'murky' and he doubts it could be explained to a Legislative group so they would accept it. He would like to bring it up as a stand alone goal, with the wordsmithing done on it. He feels they can work together to make the document acceptable.

04:50:03 **SEN. HAWKS** assured **REP. LAKE** he was sure that could be done.

04:50:15 **SEN. HAWKS** asked for further Discussion or Public Comment. There was none. A five minute break was taken.

05:01:57 **SEN. HAWKS** brought the Subcommittee back to order and introduced BVCC.

### **BITTERROOT VALLEY COMMUNITY COLLEGE (BVCC)**

05:02:41 Ms. McClure discussed previous questions about the Legal Staff opinion on Mandatory Mill Levy.

#### **Exhibit 10**

05:04:11 There were no questions and no Public Comment.

05:04:30 Mr. Peura discussed and reviewed BVCC Analysis of Preliminary 2011 Biennium Start-Up Budget

#### **Exhibit 11**

06:32:17 **SEN. HAWKS** asked Mr. Peura if he anticipated a formal response from BVCC on these points. Mr. Peura said that he did.

### **SUBCOMMITTEE QUESTIONS /DISCUSSION**

06:33:22 There were no questions.

### **PUBLIC COMMENT ON BVCC**

06:33:35 Victoria Clark, spokesperson for BVCC Steering Committee, discussed questions Mr. Peura had asked in Exhibit 11.

#### **Exhibit 12**

Ms. Clark submitted the following: a Ravalli County GED Schedule, FVCC Spring Catalog, Stevensville Adult Education courses, a letter from Ravalli County Commissioners in support of BVCC, and a newspaper article, 'Costs of a Community College'.

#### **Exhibit 13**

#### **Exhibit 14**

#### **Exhibit 15**

#### **Exhibit 16**

#### **Exhibit 17**

- 07:20:56 **SEN. HAWKS** asked Ms. Clark if student transportation issues were considered along with the consolidation effort.
- 07:21:18 Ms. Clark stated that the trustees elect are committed to providing local services and making everyone aware of them. She said that courses won't just be in Hamilton, they will be all up and down the valley, and consolidating in one locale is not the vision.
- 07:22:29 There were no further questions, and there was no further Public Comment. **SEN. HAWKS** asked if there was any other business for the Subcommittee.
- 07:22:38 Regent Barrett commented about understating IT cost. He said that If they are starting from scratch, he does not know whether this represents a cost increase or a cost benefit. He suggested that the question should be raised whether the IT system should be melded with our current System from the beginning, and other changes could be dealt with later. He felt they could probably be served by the main servers in Missoula and just have terminals in outlying areas.
- 07:24:25 **SEN. LAIBLE** commented on attending the Board of Regents meeting in Dillon. He said he was impressed that Regents Barrett and Christian talked mostly about the students, not the institution. He stated that the goal of our Higher Educational System is to provide more continuing education opportunities for retirees, adult basic education, and GED services. He stressed that education in Montana will be the future of our state. Having the best qualified, most highly educated students in the country will drive this economy and our future.
- 07:28:30 **SEN. HAWKS** noted that might be a statement in support of funding. **SEN. LAIBLE** said that it could be construed that way.
- 07:28:45 John Robinson, an elected BVCC Trustee, noted the amount of work they are doing. He commented that they are just elected Trustees with no authority, and they are waiting patiently for the Legislature to get this started in Ravalli county.
- 07:30:09 **REP. LAKE** asked President Karas if the university system would provide the instructor to teach short term work force training for a local employer, to allow local people to get their education without having to travel.
- 07:32:15 Jane Karas, President, Flathead Valley Community College (FVCC), said they have partnered with the University System to meet local needs at both their location and with another entity. She stated that two year education units are allowed to create programs that meet temporary needs.
- 07:34:47 There were no further questions or discussion. **SEN. HAWKS** asked Mr. Peura if there was any other business to come before the Subcommittee.
- 07:34:57 Mr. Peura recapped the work plan adopted for the BVCC issue. Discussion will be scheduled in June, and will center around the consideration of making a recommendation to the Education or Local Government Committee about their making a request for a bill draft of legislation to recommend a community college.

- 07:36:04 There was no other business and no further Public Comment. **SEN. HAWKS** closed by thanking Mr. Peura and Ms. McClure for their excellent work. He also thanked the Regents and the Commissioners for attending.
- 07:36:42 Ms. McClure asked for instructions to staff about work they are doing looking at other states, and whether to forward their research.
- 07:37:36 **SEN. LAIBLE** said it is important that any research be forwarded to all the Committees and the Board of Regents, as well as Jan Lombardi, Commissioner Stearns and her Staff. He stated that the more people they can get on board, the more tools they will have.
- 07:37:48 **SEN. HAWKS** said that any way they can dovetail information is fine, but also asked that work being done is an add on, as there is time, outside of the other work that has to be done toward moving forward.
- 07:38:18 Ms. McClure said since they have looked at Michigan and certain other states, this would help the Commissioners Office prevent duplication. It is basically work that they have already done and charts they have already made.
- 07:39:48 With no further business, **SEN. HAWKS** adjourned the meeting.