

**ADMINISTRATIVE, BUDGET AND AUDIT OVERSIGHT COMMITTEE MEETING
MINUTES**

Wednesday, September 27, 2006

The meeting came to order at 12:30 p.m.

Committee Members Present: Regent Barrett Chairman, Regent Christian and Regent Semmens.

Others Present:

Associate Commissioner Gibson, Associate Commissioner Robinson, Chancellor Capdeville, Chancellor Gilmore, Chancellor Sexton, Chancellor Storey, Chief Legal Counsel Swift, Commissioner Stearns, Dean Bingham, Dean Cech, Jim Foley, Mr. Alan Peura, Mr. Bill Muse, Mr. Bruce Marks, Mr. Craig Roloff, Mr. Dave Ewer, Mr. Erik Burke, Mr. Kevin McRae, Mr. Mark Bruno, Mr. Robert Duringer, Mr. Tyler Trevor, Ms. Amy Carlson, Ms. Lombardi, Ms. Maggie Peterson, Ms. MaryEllen Baukol, Ms. Rosi Keller, President Dennison, President Gamble, President Karas

Mr. David Ewer announced the Governor's College Affordability Plan and gave the background on its genesis.

Regent Christian moved approval of the Minutes of the May 30-June 1, 2006 committee meeting. Approved unanimously.

ACTION

- a. Utilization of Series J Bond Proceeds for Construction & Renovation of Academic Facilities; Fee Increases; UM-Missoula ITEM 132-1002-R0906
✓ Following a brief discussion, Regent Barrett moved to recommend approval of Item a. to the full board. Approved unanimously.
- b. Increase in Project Authorization for Inter-Disciplinary Science Bldg; UM-Missoula ITEM 132-1006-R0906
✓ Following a brief discussion, Regent Barrett moved to recommend approval of Item b. to the full board. Approved unanimously.
- c. Naming of Buildings; Revise Policy 1004.1 ITEM 132-104-R0906
✓ Following a brief discussion, Regent Christian moved to recommend approval of Item c. to the full board. Approved unanimously.
- ✓ Chairman Semmens moved to recommend approval of the entire consent agenda listed below to the full board. Approved unanimously.

CONSENT

- a. Improve Recreation Area near Hedges/Roskie Resident Hall Complex; MSU-Bozeman ITEM 132-2003-R0906
- b. Expend Computer Fees; MSU-Bozeman ITEM 132-2005-R0906
- c. Expend Equipment Fees; MSU-Bozeman ITEM 132-2006-R0906
- d. Expend Computer Fees; MSU-Great Falls COT ITEM 132-2853-R0906
- e. Expend Equipment Fees; MSU-Great Falls COT ITEM 132-2854-R0906
- f. Discontinue Work on OCHE/MGSLP Office Bldg Project/Release Series J Bond Proceeds for Alternative Use; UM-Missoula ITEM 132-1001-R0906
- g. Replace HPER Building Gymnasium Hardwood Floor; UM-Montana Tech ITEM 132-1503-R0906
- h. Purchase of property within acquisition zone; Helena College of Technology ITEM 132-1901-R0906
Appraisals may be found at <http://www.montana.edu/wwwbor/AgendaDownloads5-06.htm>
- i. Expend Student Equipment Fees; Helena College of Technology ITEM 132-1902-R0906

Mr. David Ewer reminded the Board there were certain expectations that came along with the Governor's College Affordability Plan and recommended the Board use caution in implementing new fees.

INFORMATION

- a. Audit Reports
1. Montana Guaranteed Student Loan Program (MGSLP) – Forms 2000 Review Report – U.S. Dept of Education

Associate Commissioner Robinson gave brief report on the positive audit of MGSLP.

- b. Budget Discussions with OBPP - Update

Item b. was discussed with Mr. Ewer at the beginning of the meeting.

Mr. Ewer noted there may be a cash component in the budget for the LRBP and the added costs for O&M.

- c. Distance Education Tuition Discussion – Tom Gibson

OCHE will bring a defined distance education matrix to the November, 2006 meeting.

- d. Distance Education Conversion; UM-Missoula – Bill Muse

The University of Montana will bring a request to modify their budget and fee matrices related to on line courses and those enrolled in self supported courses taken for credit.

Following a fifteen minute break, the Committee reconvened at 2:3540 p.m.

- e. Concept Review: MUS Honor Scholarships - Bruce Marks

Campuses will provide input on appropriate criteria for these scholarships which have become more costly than anticipated.

Ideas are to either decrease the number of scholarships provided, or decrease the dollar amount of the scholarships. Preference was given to fewer scholarships which would cover students' entire two or four year programs. One requirement agreed upon is the rigorous core in high school.

- f. Concept Review: Acquisition of Land – Super Fund Site

Issues of concern: potential liability for damage or injury to students and staff; future liabilities caused by the soils in years to come; cost of remediation.

Advantages: This is the only direction MT Tech can expand; property does not include any mining activities with the exception of two small mounds of excessive arsenic and lead on the far west side; ARCO has agreed to remove these two mounds; low risk based on environmental scans of the site. The issue was too broad for a full Board discussion, but campus was directed to pursue the option and work with the Department of Environmental Quality to determine extent of any needed remediation.

- g. Concept Review: Master Plan for South Campus; UM-Missoula

Regent Barrett recommended the campus continue to flesh out the issues on their Master Plan. UM will keep the Board updated on the process and issues as they move forward.

PUBLIC COMMENT

There was no public comment.

The meeting adjourned at 3:35 p.m.

STAFF AND COMPENSATION COMMITTEE MEETING

MINUTES

Wednesday, September 27, 2006

The Committee meeting convened at 4:00 p.m.

Committee Members present: Chairman Barrett, Regent Christian, Regent O'Loughlin, and Regent Semmens.

Also present: Mr. Kevin McRae, Associate Commissioner Robinson, Chancellor Storey, Chancellor Gilmore, Dean Bingham, President Dennison, President Gamble, Dean Moe, Mr. Rob Gannon, Ms. Maggie Peterson, Ms. Cathy Conover, Mr. Bruce Marks, Ms. MaryEllen Baukol, Mr. Shannon Taylor, and Chancellor Capdeville.

APPROVAL OF THE MINUTES

Regent Christian moved approval of the minutes of the May 31-June 2, 2006 committee meeting. Approved unanimously.

ACTION

- a. Executive officer salary determination; Revise Policy 802.8 - ITEM 132-106-R0906
✓ Regent Semmens moved to recommend approval of Item a. to the full board. Approved unanimously.
- b. Executive residence guidelines; Revise Policy 805 ITEM 132-103-R0906
✓ Regent Semmens moved to recommend approval of Item b. to the full board. Approved unanimously.
- c. Multiyear head coach contracts ITEM 132-108-R0906
✓ Regent Semmens moved to recommend approval of Item c. to the full board. Approved 3-1 with Regent O'Loughlin voting no.

INFORMATION

- a. Administrators' service on outside governing boards
- b. Optional Retirement Program
Arrangements are underway to study the optional retirement program. MEA/MFT may propose legislation increasing the employer's contribution.
- c. Executive officer titles at Helena and Great Falls COTs
Titles will remain the same.
- d. Approval of individual contracts for faculty
Policy will be brought before the Board extending the Commissioner's authority to approval individual faculty contracts excepting approval of tenure.

CONSENT

- ✓ Chairman Barrett moved to recommend approval of the entire Consent agenda as listed below to the full board. Approved unanimously.

Staff Items

- a. Office Commissioner of Higher Education ITEM 132-100-R0906
- b. The University of Montana-Missoula ITEM 132-1000-R0906 as revised
- c. Montana Tech of the University of Montana ITEM 132-1500-R0906
- d. The University of Montana-Western ITEM 132-1600-R0906
- e. The University of Montana-Helena College of Technology - ITEM 132-1900-R0906

- f. MSU-Bozeman ITEM 132-2000-R0906
- g. Authorization to Confer the Title of Professor Emeritus of Electrical and Computer Engineering upon Fred Cady; Montana State University-Bozeman ITEM 132-2001-R0906
- h. Authorization to Confer the Title of Professor Emeritus of Mathematics upon Richard Gillette; Montana State University- Bozeman ITEM 132-2002-0906
- i. Ag Experiment Station ITEM 132-2300-R0906
- j. Cooperative Extension Service ITEM 132-2400-R0906
- k. MSU-Billings ITEM 132-2700-R0906
- l. MSU-Northern ITEM 132-2800-R0906 as revised
- m. MSU-Great Falls ITEM 132-2850-R0906

Labor Agreements / Other

- a. Approval of tentative agreement between Teamsters Local 2 and the University of Montana ITEM 132-107-R0906
- b. Authorize faculty participation in companies under Policy 407; Montana State University-Bozeman. ITEM 132-2004-R0906

PUBLIC COMMENT

Mr. Erik Burke spoke briefly on the effort of MEA/MFT to draw up legislation to increase the employer's contribution to the retirement plan.

The Committee adjourned at 4:50 p.m.

ITEM 133-1020-R1106

Authorization For Annual Automatic Indexing Of Student Fees; The University Of Montana-Missoula

THAT:

The Board of Regents authorizes the annual automatic indexing of the University Center and Campus Recreation fees at the University of Montana-Missoula, as outlined in the attached Memorandum of Understanding(MOU) between ASUM and the UM Division of Student Affairs at The University of Montana-Missoula, as a pilot project to be brought forward for re-evaluation in November 2008.

EXPLANATION:

The University Center and Campus Recreation derive the bulk of their financial support from student fees. The attached Memorandum of Understanding (MOU) between the Associated Students of the University of Montana (ASUM) and the UM Division of Student Affairs recognizes that inflationary pressures will most likely require an increase in the University Center and Campus Recreation student fees every year. In an attempt to reduce the extensive amount of time and effort involved in the present process of approving fee increases, the ASUM and UM Division of Student Affairs approved the attached MOU to authorize annual automatic indexing of student fees to support the University Center and Campus Recreation. The MOU requires a review of the agreement, by all parties, in the Fall of 2008.

The University Center Board and the Campus Rec & Sports Committee both have significant student membership and involvement.

The Memorandum, which includes specified guidelines for implementation, was approved by vote in April 2006 and was reviewed and agreed upon by relevant parties in the Division of Student Affairs.

ATTACHMENTS:

Memorandum of Understanding between the ASUM and the UM Division of Student Affairs

Resolution Supporting Automatic Fee Increases for the University Center & Campus Recreation

Whereas, the University Center and Campus Recreation derive the bulk of their financial support from student fees;
Whereas, the money generated from fees is crucial to the continued operation of both units;
Whereas, the expenses associated with personnel, operating expenses, utilities, and facility maintenance continue to escalate;
Whereas, sound business practice dictates that inflationary increases should be sought in the student fees annually;
Whereas, it is acknowledged that putting forth proposals for fee increases is labor and time consuming for all parties;
Therefore, Let It Be Resolved, the Associated Students of The University of Montana support the following Memorandum of Understanding (MOU) between the ASUM and the UM Division of Student Affairs regarding the annual automatic indexing of student fees to support the University Center and Campus Recreation.

Memorandum of Understanding between the ASUM and the UM Division of Student Affairs

This Memorandum of Understanding (MOU) is between the Associated Students of The University of Montana (ASUM) and the UM Division of Student Affairs. This MOU will be valid upon endorsement from the UC Board and Campus Rec and Sports Committee and approval from ASUM and the Vice President for Student Affairs, as indicated by the signatures below, and will only be nullified with the expressed consent of the student body through a referendum or ASUM with a 2/3 vote of the Senate. This agreement is subject to approval by the President of the University and the Montana Board of Regents.

This MOU acknowledges that it is most likely that there will be a need for some inflationary increase in the University Center and Campus Recreation student fees (excluding the UC Renovation Fee) every year, and that this is a natural and appropriate outcome of doing business. As such, any inflationary increase will be implemented subject to the following guidelines:

- There is no expectation of any programmatic or service level increase as a result of the inflationary increase: this is the cost of maintaining current service levels in the face of inflation.
- Increases will be determined based upon all relevant indices – i.e., CPI (Consumer Price Index) and HEPI (Higher Education Price Index) as well as projected assumptions for expenses associated with salaries, benefits, operating, utilities, and facility maintenance.
- Proposed fee increases up to 3.5% will require recommendation by the unit and endorsement by the respective advisory board (University Center Board for the University Center and Campus Rec & Sports Committee for Campus Recreation).
- Proposed fee increases greater than 3.5% but less than 5.0% which have been justified by the unit and endorsed by the respective advisory board (University Center Board for the University Center and Campus Rec & Sports Committee for Campus Recreation) will be implemented automatically unless overturned by a 2/3 vote of ASUM Senate. At this time Campus Recreation and University Center management shall be responsible for providing a justification of the fee increase.
- Proposed fee increases which exceed 5.0% annually will seek endorsement by the relevant advisory board (University Center Board for the University Center and Campus Rec & Sports Committee for Campus Recreation) and endorsement through a vote of ASUM Senate.
- Other increases may be proposed at any time, for expansion of programs or services, or for cost increases beyond the anticipated “normal” inflation factor – and these will involve the usual endorsement process to provide evidence of student support.
- Management of the University Center and Campus Recreation will be required to present a financial report to ASUM in October of each year.

ITEM 133-1020-R1106
ATTACHMENT

- This agreement shall be reviewed by all parties in Fall 2008 and at four-year intervals thereafter to determine its effectiveness.

Signed:

_____ Brad Cederberg ASUM President, 2005-2006	_____ Date	_____ Teresa Branch Vice President for Student Affairs	_____ Date
_____ Andrea Helling Chair, UC Board, 2005-2006	_____ Date	_____ Candy Holt Director, University Center	_____ Date
_____ Tom Whiddon Chair, Campus Rec & Sports Committee	_____ Date	_____ Keith Glaes Director, Campus Recreation	_____ Date