



MONTANA UNIVERSITY SYSTEM

MINUTES MONTANA BOARD OF REGENTS

These Minutes were approved by the Board of Regents at the September 19-21, 2007 meeting.

Tuesday, July 10, 2007
Dean's Conference Room
MSU-Great Falls College of Technology
2100 16th Ave. South, Great Falls

The full Board convened at 3:00 p.m.

- a. Board Review of Committee Assignments: Regent Hamilton. Board members agreed to continue with their current committee assignments.
- b. Discussion of Board Self-evaluation Proposal. By consensus, the Board agreed to try out the evaluation form last used in 2002, and circulate it to campus CEOs; executive, and legislative, and campus leaders. Commissioner Stearns will assist with this process.
- c. Executive Session: Personnel Evaluations (Commissioner Stearns and President Dennison)

The Board went into Executive Session for Personnel Evaluations at 3:30 p.m.

The Board recessed at 5:30 p.m.

Wednesday, July 11, 2007
McLaughlin Center in Providence Hall
University of Great Falls
1301 20th Street South, Great Falls

For supporting materials, see www.mus.edu. Click on Board of Regents, then "meetings", then the July 11, 2007 meeting agenda. The agenda contains links to all of the items acted on by the Board and its committees.

The full Board reconvened at 9:05 a.m.

Roll call indicated a quorum present.

Regents Present: Lynn Hamilton, Chairman, Steve Barrett, Vice Chairman, Todd Buchanan, Clayton Christian, Kerra Melvin, Janine Pease, and Lila Taylor. Also present was Commissioner Stearns ex officio.

Jan Lombardi, Education Policy Advisor, was present for Governor Schweitzer ex officio.

Regents Absent: Superintendent McCulloch ex officio excused.

INTRODUCTIONS

Commissioner Stearns introduced:

Tyler Trevor newly appointed Associate Commissioner for Research, Technology, and Communications. Commissioner Stearns mentioned a possible title change to Associate Commissioner for Planning and Public Policy, still encompassing all the duties in the position description, including economic development.

Robin Graham the new Chief Fiscal Officer for the Montana Guaranteed Student Loan Program. Suzan Scott, replacing Mark Bruno in the Governor's Budget Office in charge of the Higher Education Budget.

Mary Moe introduced:

David Marianni, the new president of ASMSU-GF.

President McAllister of University of Great Falls, co-hosting this Board meeting with MSU-Great Falls College of Technology. President McAllister gave a brief history of the University of Great Falls, and described the principal points of its Strategic Plan.

Motion by Regent Barrett to approve the minutes of the May 31, 2007 regular meeting. Approved 7-0.

ACTION

- a. Certification of **Election for Ravalli Community College** District ITEM 136-102-R0707

Dr. Arlene Parisot, Coordinator of Community Colleges for the Montana University System, explained that this step is prescribed by law and does not indicate a Board recommendation at this point in regard to the appropriateness of forming a community college district.

Motion by Regent Pease to certify the final vote approved 7-0.

- b. Authorization of **Easement to Northern Lights** Development Company, Fort Missoula Property ITEM 136-1001-R0707

President Dennison described steps to assure historic or archaeological site review.

Motion by Regent Barrett approved 7-0.

INFORMATION

- a. Report on the Montana Family **Education Savings Program**

Ted Benedict of Pacific Life made the following points:

- Pacific Life offers 5 asset allocation funds.
- Investments can be made directly or through an advisor. Fees for investments purchased directly are very competitive.
- Montana is their sole focus in 529 plans since they no longer offer funds in Arizona.
- Transfers from Arizona have doubled the number of accounts in Montana.
- Program offers risk management.

Regents Buchanan and Melvin serve on the MFESP (Montana Family Education Savings Plan) Oversight Committee and made comments. Discussion included:

- College Savings Bank manages the Program and offers a no-fee FDIC insured certificate of deposit, while Pacific Life handles mutual fund offerings.
- Adviser based investments cost 5.5% which is standard in the industry.
- The Advisory Committee is exploring other options to see if it makes sense to add investment options other than just Pacific Life.
- Options might include partnering with other states, offering different types of investments, or even expanding the Montana tax benefit for investing in a 529 plan. The Oversight Committee hopes to define those options within a year.
- The Advisory Committee will likely be presenting a new College Savings Bank product at the September 2007 Board meeting.
- The Committee will work on a communications plan to aggressively market the program and improve consumer sophistication.
- The Montana Plan contains nearly \$200 million in accounts.
- Commissioner Stearns noted that the interim legislative PEPB (Post Secondary Education Policy and Budget Subcommittee) committee has included this topic on their list of issues for consideration.

- b. Discussion of **Student Loan Issues**

Discussion of the recent nationwide problems in the student loan industry aired questions from the Board as to the situation in Montana. Several regents acknowledged the good work by MHESAC (Montana Higher Education Student Assistance Corp.) and SAF (Student Assistance Foundation), as

well as the lowered default rate in Montana, and the money returned to students through the programs. Board members discussed taking the initiative to clarify their optimal role in these loan programs. The Commissioner's staff will start work with a sub-committee of the Regents to develop this further.

c. **MUS Biennial Planning Cycle** - early draft.

The commissioner reviewed the following six stage planning cycle for the next biennium:

Phase I (May – August 2007)

- August 7 and September 5 meetings with CEOs to work on planning.
- Planning for 6 mill levy.
- Planning for the 2009 legislature, and the 2011 biennium with planning and guidelines to campuses.
- Strategic Plan Review.

Phase II (September – December 2007)

- Community Conversations Tour with 8 to 10 venues. CEOs will advise best dates for their areas.
- Commissioner Stearns asked Regents to attend one or two sessions if at all possible.

Phase III (January – April 2008)

- Initial meetings with OBPP (Office of Budget and Program Planning).
- Board decisions on MUS priorities.

Phase IV (May – August 2008)

- LRBP (Long Range Building Projects) planning.

Phase V (September – December 2008)

- Annual fall Community Conversations Tour - 6 mill levy and MUS priorities.

Phase VI (January – April 2009)

- Promote agreed-upon objectives to the Legislature in 2009.

d. **LRBP Priority Projects – Agricultural Experiment Station**

The 60th Legislative Session appropriated an additional \$5 million for deferred maintenance and new construction to the Montana Agricultural Experiment Station, with matching authority of \$1.25 million. The Agenda includes the list of priority items developed for the use of these funds. Jeff Jacobsen, Dean of the College of Agriculture and Director of the Montana Agricultural Experiment Station stated that the matching requirement for the \$1.25 million was removed in the Special Session, but it is his intent to obtain this match to the best of his ability.

e. **Campus Reports.** Chair Hamilton referred the Board to the written reports.

CONSENT

Staff Items:

- a. Office of Commissioner [ITEM 136-100-R0707](#)
- b. UM-Missoula [ITEM 136-1000-R0707](#)
- c. Montana Tech of UM [ITEM 136-1500-R0707](#)
- d. UM-Western [ITEM 136-1600-R0707](#)
- e. MSU-Billings [ITEM 136-2700-R0707](#)
- f. Professor Emeritus of Journalism: Sharon Barrett; UM-Missoula [ITEM 136-1005-R0707](#)
- g. Professor Emeritus of Arts and Humanities: Harry Fritz, Professor of History, College of Arts and Sciences; UM-Missoula [ITEM 136-1006-R0707](#)
- h. Professor Emeritus of Art and Humanities: Anthony Mattina; UM-Missoula [ITEM 136-1007-R0707](#)
- i. Professor Emeritus of Chemistry: Edward E. Waali; UM-Missoula [ITEM 136-1008-R0707](#)
- j. Professor Emeritus of English: Kathleen M. Gadbow; UM-Missoula [ITEM 136-1009-R0707](#)
- k. Professor Emeritus of English: Michael William McClintock; UM-Missoula [ITEM 136-1010-R0707](#)
- l. Professor Emeritus of Arts and Humanities: Ludmilla Prednewa; UM-Missoula [ITEM 136-1011-R0707](#)
- m. Professor Emeritus of Mining Engineering: John Brower; Montana Tech of UM [ITEM 136-1501-R0707](#)

- n. Professor Emeritus of Liberal Studies: Robert L. Holdsworth; Montana Tech of UM [ITEM 136-1502-R0707](#)
- o. Professor Emeritus of Music: Lowell Hickman; MSU Bozeman [ITEM 136-2001-R0707](#)

Administrative/Budget Items:

- a. Student **Equipment Fee Allocation**; MSU-Bozeman [ITEM 136-2002-R0707](#)
- b. Student **Computer Fee Allocation**; MSU-Bozeman [ITEM 136-2003-R0707](#)
- c. **Greenhouse Removal** and Construction; Montana Tech of UM [ITEM 136-1504-R0707](#)

Labor Agreements/Other

- a. Montana **Rural Physicians** Incentive Program [ITEM 136-103-R0707](#)
- b. **Operating Engineers: Four-year Campuses** [ITEM 136-104-R0707](#)
- c. University **Faculty Association**; UM-Missoula [ITEM 136-105-R0707](#)
- d. **Operating Engineers: 5 Colleges of Technology** [ITEM 136-106-R0707](#)
- e. **MSU Nurses** [ITEM 136-107-R0707](#)
- f. Appointment of **Motorcycle Safety Advisory Committee** [ITEM 136-108-R0707](#)
- g. Appointments to **Local Executive Boards** [ITEM 136-109-R0707](#)

Motion by Regent Taylor for approval of entire Consent Agenda approved 7-0.

With no further business to come before the Board, the business portion of the meeting adjourned for lunch and a tour of the construction at the Great Falls College of Technology at 11:25 a.m.

The Board convened at 1:00 p.m. for the Planning Session.

Posted on

Approved by the Board of Regents on

July 16, 2007

(Date)

(Date)

Sherry Rosette
Board Secretary

Lynn Morrison-Hamilton
Board Chair

The next Board meeting will take place on September 19-21, 2007 at MSU-Billings.

PLANNING SESSION

The Board assembled for planning discussions at 1:00 p.m. at the Sletten Cancer Center Conference Room. Attending, in addition to all regents:

<u>From the UM Campuses:</u>	<u>From OCHE:</u>	<u>From the Community Colleges:</u>
G. Dennison	S. Stearns	S. Hicswa
D. Bingham	R. Barber	K. Hughes
F. Gilmore	J. Clinard	J. Schultz
R. Storey	M. Robinson	
	C. Swift	
	T. Trevor	
	S. Rosette	

<u>From the MSU Campuses:</u>	<u>Others:</u>
A. Capdeville	E. Barrett
D. Dooley	J. Lombardi
M. Moe	A. Peura
R. Sexton	S. Scott

Commissioner Stearns recommended continued focus on affordability, plus strategic goals relating to: Kindergarten to College; Two-year education; tiered enrollment – funding - tuition model; increasing post-secondary enrollment in spite of declining high school student numbers; and strengthening graduate education for competitiveness in the knowledge economy.

Tyler Trevor presented data on emerging issues and trends affecting Montana and higher education. The slides are available on the MUS website at http://mus.edu/publications/Emerging_Issues_and_Trends_July2007.pdf.

In concluding conversations about achieving the metrics in the 2010 Strategic Plan, the Board directed Commissioner Stearns to pursue: stronger alliance with K-12 partners; making two-year education a more appealing option to Montanans; enforcing and selectively strengthening admissions standards; and redesigning a funding model to achieve strategic objectives, including options relating to graduate education.