

**ADMINISTRATIVE, BUDGET AND AUDIT OVERSIGHT
Committee MINUTES**

Wednesday, September 19, 2007

Regents Present: Steve Barrett, Clay Christian, Lila Taylor present.

ACTION

- a. Office Building Lease for Grant Funded Programs; MSU-Bozeman **ITEM 136-2001-R0907**
The Committee will recommend approval to the full Board on this ten year lease.
- b. Short Term Loans for Continuation of Multi-Year IT Infrastructure Replacement Plan; MSU-Bozeman. **ITEM 136-2003-R0907**
The Committee will recommend approval to the full Board.
- c. Campus Parking Permit System; UM-Helena. **ITEM 136-1901-R0907**
The Committee will recommend approval to the full Board.
- d. College Savings Bank InvestorSure CD. **ITEM 136-102-R0907**
If College Savings Bank meets the following six requirements, the Board will permit the Oversight Committee to give final approval to this offering so it will not need to come before the Board again:
1. The CD will have no fees.
 2. The pre-payment penalty is not greater than 10% of the principal and does not apply to the earnings.
 3. The cap on performance is not less than 85% of the S&P 500.
 4. College Savings Bank will work to offer CDs of varying terms (not just 5-year and 7-year).
 5. College Savings Bank will provide account holders with the ability to easily determine the present value of their investment, whether through the account statement or some other medium.
 6. Prior to the InvestorSure CD being offered or marketed in Montana, College Savings Bank will obtain approval from a subset of the Oversight Committee consisting of, at a minimum, Lynne Egan, Jon Satre, and a qualified staff member of the Office of the Commissioner of Higher Education, of all disclosure documents and all advertising materials, including but not limited to direct mail pieces, website content, or other forms of marketing the InvestorSure CD to Montana residents.
- e. Governor's Postsecondary Scholarship Program, Policy 501.3. **ITEM 136-101-R0907**
The Committee will recommend approval to the full Board.
- f. Annual Tuition and Fees for eLearning, Policy 940.20. **ITEM 136-119-R0907**
This change permits campuses to charge students full fees if they live on campus or relatively near campus and are on-line students. There was concern that this change detracts from the system-wide approach for fees.
The Committee will recommend approval to the full Board.
- g. Exchange of Lots Adjacent to the North Campus; Montana Tech-UM. **ITEM 136-1502-R0907**
The Committee will recommend approval to the full Board.

INFORMATION

a. Audit Reports.

Mick Robinson, OCHE indicated there were no Audit Reports for this meeting, but there will be for the November, 2007 meeting.

b. Montana University Research and Education Network.

Due to the legislative language attached to these funds, the Montana University System will not accept the funding appropriated by the Legislature for this network project. They intend to find their own funding so that students can use the network as well as researchers.

c. Response to Report from Agriculture Review Panel; MSU-Bozeman.

MSU has accepted responsibility for becoming more involved with the Agencies, and President Gamble, MSU has been meeting with the Farm Bureau every 4 to 5 weeks. He encouraged the Commissioner's Office to address some concerns such as overhead charges, from a system perspective.

d. FYE 2007 Negative Fund Balances Report.

MSU-Northern will present a plan to address their significant negative fund balance at the November meeting. Reductions have been made in the budget. Falling enrollment has had the biggest impact on their budgets. They have a strategic action plan and continue to work with MSU-Bozeman on the situation.

e. FYE 2007 Outstanding Debt Report.

Campuses are maintaining adequate debt coverage, but the system needs to look closely before taking on significant additional debt.

f. South Campus Master Plan; UM-Missoula.

Presentation on progress:

- Process, schedule and plan available on UM website
- Website advertised in newspaper, TV, and Radio
- Public comment allowed at every meeting
- Took plan to the City Council
- Two open public meetings
- Taken to every neighborhood council, and the general public

The campus will bring the Master Plan to the November, 2007 Board meeting for approval.

g. Campus Peer Comparative Information.

IPEDS data for 2005-2006 shows that Montana is exactly opposite its peer states in state support vs. tuition support. Whereas the peers have about 60% of their support from the state and 40% from tuition, Montana has 40% support from state funding, and 60% from tuition.

h. President Dennison asked to present document "College Portrait", which is a template that shows data on students. The purpose is to help students and their families with basic information on the break-down on students. This will show students and their families an estimate of what costs would be for them, differentiating the cost between in-

state and out-of-state. If any campus chooses to participate, they are required to provide all information in the template. Also being built into the system is the capability of campuses to augment additional information into the document.

CONSENT

- a. Foundation Operating Agreement; UM-Western. **ITEM 136-1601-R0907**
- b. Expend Reverted Appropriations; UM-Western. **ITEM 136-1602-R0907**
- c. Student Computer Fee Allocation; MSU-Great Falls. **ITEM 136-2851-R0907**
- d. Student Equipment Fee Allocation; MSU-Great Falls. **ITEM 136-2852-R0907**
- e. Construct "Think Tank" Coffee Shop; UM-Missoula. **ITEM 136-1007-R0907**
- f. Data Center Remodel Project; Montana Tech-UM. **ITEM 136-1501-R0907**

The Committee will recommend approval of the Consent Agenda to the full Board.

PUBLIC COMMENT

There was no public comment.

The meeting adjourned at 3:45 p.m.