

**SCHEDULE OF EVENTS
BOARD OF REGENTS MEETING
SEPTEMBER 2007**

WEB PAGE ADDRESS: <http://www.mus.edu/>

WEDNESDAY, September 19, 2007

- 11:30 – 12:00 PM Regents meet with classified staff - Ballroom SUB
- 12:30 – 4:00 PM Administrative, Budget, and Audit Oversight Committee meeting – Ballroom SUB
- 12:30 - 4:00 PM Academic and Student Affairs Committee meeting – Lewis and Clark Room SUB
- 4:15 – 5:30 PM Staff and Compensation Committee meeting – Ballroom SUB
- 4:15 – 5:30 PM Workforce, Research, And Economic Development Committee meeting – Lewis and Clark Room SUB
- 5:30 PM Reception with Reno Charette, Native American Studies Program Coordinator and other Native American students – Lewis and Clark Room SUB

THURSDAY, September 20, 2007

- 7:00 AM Hospitality Room and Continental Breakfast for meeting participants – Bridger Room SUB
- 7:00 – 8:00 AM Regents, Commissioner, Presidents and Chancellors meet with Faculty Senate – Beartooth Room SUB (upstairs)
- 8:30 AM Full Board Convenes – Ballroom SUB
- Noon Lunch for all meeting attendees – Lewis and Clark Room SUB
- 12:15 to 12:45 PM Regents Luncheon with Student Representatives — Beartooth Room SUB (upstairs)
- 1:00 PM Full Board Reconvenes – Ballroom SUB
- 5:00 PM Recess
- 6:00 PM Reception: BBQ dinner and tour of new 50,000 sq. ft. building – MSU-B College of Technology, 3803 Central Avenue

FRIDAY, September 21, 2007

- 7:00 AM Board breakfast with local civic and business leaders – Lewis and Clark Room SUB
- 7:00 AM Hospitality Room and Continental Breakfast for meeting participants – Bridger Room
- 8:30 AM Operating Budgets - Ballroom, SUB
- 11:30 AM Executive Session – Missouri Room, SUB
- Box lunch pickup: Pick up a lunch for the trip home (all meeting attendees)

Information desk, printing, and mini Business Center outside the Ball Room.



AGENDA
Montana Board of Regents Meeting
Montana State University – Billings
Ballroom, Student Union Building
September 19-21, 2007

Thursday, September 20, 2007

- 8:30 AM CONVENE - Ballroom SUB
- 8:35 AM Roll Call, Approval of [Minutes](#), and Introductions.
- 8:45 AM Welcome and Comments by host Chancellor Ron Sexton.
Introduction and Comments: President Michael Mace of Rocky Mountain College.
- 9:15 AM SYSTEM ISSUES

INFORMATION

- a. Concept Review; MSU-Bozeman: International Education Opportunity – Provost Dooley, MSU-Bozeman.
- b. Postsecondary Education Policy and Budget Committee [Agenda](#) – Tyler Trevor, OCHE. [Work Plan](#)
- c. 6 mill levy update – Commissioner Stearns, OCHE.
- d. Campus written [Reports](#).

CONSENT

Appointment of Members to the Fire Services Training Advisory Council; MSU-Bozeman. [ITEM 136-2004-R0907](#) [BIOS](#)

BOARD DISCUSSION

MUS Directions:

- Community conversations.
- [Plan 2010](#) progress.

- 11:30 AM Student Reports
- Noon RECESS
- 1:00 PM RECONVENE - Ballroom SUB

COMMITTEE REPORTS AND ACTION

- a. Workforce, Research, and Economic Development
- b. Academic and Student Affairs
- c. Staff and Compensation
- d. Administrative, Budget, and Audit Oversight

5:00 PM Public Comment

5:15 PM RECESS

Friday, September 21, 2007

8:30 AM RECONVENE

- a. MUS Financial Data Warehouse Presentation
- b. Operating Budget Presentation and Approval

The Board of Regents is required to approve the annual operating budgets (all funds) for the institutions and agencies of the Montana University System, for the fiscal year commencing July 1, 2007. Approval of these operating budgets is required by 17-7-138(2), M.C.A.

11:30 AM Executive Session – Missouri Room SUB
Commissioner's Evaluation – Part 2.

12:00 PM ADJOURN or on completion of business

Other than the meeting starting time, times listed are approximate. In addition, agenda items may be rearranged unless an item is listed as having a "time certain." Action may be taken on any item listed on the Board or Committee Agendas. Public comment is welcome on all items.

The Board of Regents will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to the Office of the Commissioner of Higher Education as soon as possible before the meeting to allow adequate time for special arrangements. You may call or write to: ADA Coordinator, P. O. Box 203201, Helena MT 59620-3201, 406-444-6570, 1-800-253-4091 (TDD)



MONTANA UNIVERSITY SYSTEM

MINUTES MONTANA BOARD OF REGENTS

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%20Issues%20&%20Trends%20\(July%202007\).pdf](http://mus.edu/publications/Emerging%20Issues%20&%20Trends%20(July%202007).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.



MONTANA UNIVERSITY SYSTEM

MINUTES MONTANA BOARD OF REGENTS CONFERENCE CALL MEETING

Thursday, August 2, 2007

The meeting convened at 10:30 a.m.

Roll Call

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

Others present: Arlene Parisot, Tyler Trevor, and Roger Barber of OCHE, Brian Klein of GSL, Mary Moe of MSU-Great Falls, Jane Karas, and Cathy Hughes of Flathead Valley CC, Royce Engstrom, Arlene Walker-Andrews, Perry Brown and Jim Birchfield of UM, and Linda Hyman of MSU.

ACTION

- a. Approval of Equipment and Technology Funding Recommendations ITEM 137-01-C0807. Tyler Trevor explained the item and the process that was followed, including the RFP process.

Public Comment: None.

Campus Comment: None.

Stearns clarified on page 2, item is "simulation", not "stimulation".

**Regent Taylor moved approval of ITEM 137-01-C0807.
Motion passed unanimously.**

- b. Approval of Workforce Training Funding Recommendations ITEM 137-02-C0807.

Public comment: None

Campus comments: Royce Engstrom of UM, and Jane Karas of FVCC, with concern about projects that had been recommended by the advisory committee, but not by the Commissioner.

Commissioner Stearns clarified that any residual funds would be applied to the next project on the ranking list.

**Regent Taylor moved approval of ITEM 137-02-C0807.
Motion passed unanimously.**

PUBLIC COMMENT: None.

Meeting adjourned at 10:45 a.m.

Posted on

August 16, 2007

(Date)

Approved by the Board of Regents on

(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.



Joint Subcommittee On Postsecondary Education Policy and Budget

60TH 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)

DRAFT - PROPOSED AGENDA - DRAFT

TUESDAY, SEPTEMBER 25, 2007

State Capitol Hearing Room 102

All times are approximate...some agenda items may take more or less time...
...public comment will be taken prior to any action items on the agenda...

- | | | | |
|------------|---|--------|--|
| 9:00 a.m. | Call to Order/Secretary Take Roll | - | Senator Hawks, Chair |
| 9:05 a.m. | Introductions | - | Senator Hawks, Chair |
| 9:15 a.m. | Overview of PEPB Binders, Process and Schedule | - | Alan Peura, LFD Staff |
| 9:30 a.m. | Presentation and Discussion of Proposed Work Plan | - | Alan Peura, LFD Staff |
| | <ul style="list-style-type: none">• Subcommittee Amend/Adopt Work Plan & Timeline Items:<ul style="list-style-type: none">○ HJR 22 Interim Study – Dental Education○ Shared Policy Goals○ Accountability Measures Reports○ Funding Formula Revisions for University Educational Units○ Bitterroot Valley Community College District○ P-20 Policy and Budget Issues Review○ Two-year Education Strategic Role○ 2011 Biennium Budget and Accountability○ Report Only Items (Ag. agencies, Equipment/Program Development, Six-mill levy referendum, Statewide workforce development plan, Monitor legislation) | | |
| 11:00 a.m. | Two-year Education Strategic Role in Higher Education | | |
| | <ul style="list-style-type: none">• History of Two-year Education in Montana• MUS Strategic Plan for Two-year Education | -
- | Eddy McClure, LSD Staff
Sheila Stearns, CHE |
| 12:00 p.m. | Subcommittee Discussion | | |
| 12:15 p.m. | Public Comment | | |
| 12:30 p.m. | Charge To Staff -- Adjourn | | |

Subsequent Education and Local Government Meeting:

Tuesday, September 25, 2007 @ 1:30 p.m. – Hearing Room 137

Next PEPB Meeting:

Thursday, December 13, 2007 @ 9:00 a.m. – Hearing Room 102



Joint Sub-Committee On Postsecondary Education Policy and Budget

60TH 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)

DRAFT

Proposed Work Plan and Study Issues for the 2009 Biennium

- **Complete interim study in HJR 22** – this bill requires that PEPB study and make recommendations on:
 - Initiatives to increase supply of dental care professionals, especially in rural/underserved areas
 - Programs that require students who receive educational support to repay all or a portion of the state funds appropriated for their education
 - A dental loan forgiveness program administered by OCHE (as an incentive to practice in MT)

Recommendation: Appoint a working group and chairman (**at September 25, 2007 meeting**) to lead this study and charge that group with submitting recommendations on the above issues to PEPB by the **June 12, 2008 meeting**. The working group should include representatives from OCHE, Office of Economic Development, Department of Labor & Industry, DPHHS, and a representative from the dental health profession.

- **Review, renegotiate, and reaffirm the "shared policy goals" approved by PEPB, ELG, and the Board of Regents in 2006**
Legislative staff will present the background of the shared policy goals and review the document from the last interim to facilitate PEPB consideration of making any changes to this document (e.g. specific benchmarks) based upon the Board of Regents Strategic Plan. Upon completion of this discussion, members can discuss reaffirming an updated two-year document (see attached from 2007 biennium).
- **Review and consider the accountability measures project from 2006, including:**
 - Request reports for the following dates from Commissioner of Higher Education on:
 - the transferability initiative (HB 2 funded \$1.5 million) – **September 4, 2008**
 - distance learning (HB 2 funded \$950,000) – **September 4, 2008**
 - student assistance programs (HB 2 expanded by \$4.0 million) – **June 12, 2008**
- **Review the community college funding formula changes (SB 12 from 2007 session) and consider whether this same formula could be used for the university unit campuses state funding calculation**
During the 2007 session, at the recommendation of the Legislative Finance Committee and the PEPB based upon an interim study, the legislature adopted a new, transparent funding formula to determine the state general fund appropriation for Montana's three community colleges. The motivation for the study and the changes was to make the funding formula more accurate, more transparent in terms of the factors, and easier to understand for both the legislature and the public. (See attached brief report)

PEPB Option: Appoint a working group to discuss the viability of adopting this funding formula to determine the base funding level of state funding for the eight educational units of the MUS. Request that this group report back to PEPB at the **December 13, 2007 meeting** with a recommendation on

whether or not to proceed. Working group members may include representatives from LFD, OBPP, OCHE and MUS university units, together with a legislator and Regent member.

DRAFT

Review and consider the Bitterroot Valley Community College district proposal and process

On May 8, 2007, voters in the Bitterroot Valley approved, by a 52% to 48% margin, the creation of a community college district and elected seven members of a local board of trustees. The election results were certified by the Montana Board of Regents on July 11, 2007 so that the new community college trustees, after an organization meeting with the Regents, will begin to hold bi-monthly meetings to move forward establishing a new community college.

According to statute, 20-15-209, MCA, subsequent to the election, “approval for the organization of a new community college district shall be granted at the discretion of the legislature acting upon the recommendation of the regents.” In addition, the state budget includes an appropriation for general fund that is appropriated to the community colleges.

Therefore, decision points that may be anticipated at the 2009 legislative session include a decision by the legislature on the approval for the new community college, as per 20-15-209, MCA, as well as the potential general fund budget appropriation for a Bitterroot Valley Community College.

Recommendation: Given that this will be the first time under the current community college district statute that a new district has been approved by local voters, triggering a recommendation by the Board of Regents, and consideration by the legislature, the PEPB should request a report from staff that details the background, the statutory procedures, and the issues that will need to be considered during the 2009 session. That report could be on the PEPB agenda for **December 13, 2007**.

- **P-20 Policy and Budget Issues Review...for legislative and Regent member education purposes primarily**

Given the complexities of both the funding and the policy issues related to both K-12 education and higher education, together with legislative term limits that may affect long-term institutional knowledge of these complex issues, PEPB may want to discuss/identify major issues in this broad area and request specific staff reports that address some of these complex issues. The objective of these reports would be to build understanding and knowledge base about education budget and policies issues across the P-20 spectrum (Pre-school to graduate school). Reports could be written only or include presentations and discussion at PEPB meetings, which may be held jointly with the K-12 Education Subcommittee.

- **Discuss the strategic role of two-year education within the university system (e.g. Colleges of Technology, community colleges, and two-year degree programs)**

Since the reorganization of the university system that occurred in the 1990's, which included moving the vocational education centers into higher education as “colleges of technology” (COT), the role of two-year education as part of higher education and as part of workforce development has changed rather dramatically. In the past decade, PEPB has conducted a number of studies about two-year education, both in the area of policy as well as funding/budget matters.

In the past decade there has been a dramatic increase in student enrollment at two year COT's in Montana (e.g. 51.5% at Billings COT, 69.7 % at GF-COT, 32.5% at Helena COT) while enrollment at the community colleges has remained relatively flat, despite some enrollment spikes in the past decade.

There has also been a changing dynamic in two-year education between the dual missions of workforce training that meets employment needs and the two-year institutions as a starting point for transfer to a four-year institution in pursuit of a four-year degree.

In the past two years legislators have made inquiries about a number of two-year education issues, including these dual missions, transferability of credits from two-year to four-year programs, expanding distance learning as a way to address place-bound and non-traditional students, meeting the workforce shortages in numerous communities in various fields, etc.

DRAFT
In the meantime, within the Montana University System there has also been discussion about the role of two-year education, including how the institutions are able to manage the demands of workforce needs and academics.

In an effort to frame these complex issues for PEPB, legislative staff has prepared a report on the history of two-year education in Montana higher education, including governance and funding issues, in an effort to synthesize the inquiries that staff has received from legislators and place these into the context of discussions going on within the university system and the Board of Regents.

PEPB Option: Discuss and consider the staff report on two-year education at **September 25, 2007 meeting** and identify whether there are any emerging issues in this area that would warrant additional interim work by the PEPB on two-year education.

- **Monitor 2011 biennium budget and consider accountability measures (based upon Regent budget initiatives and executive planning process) and make recommendations to the 2009 legislature**
This process would begin at the March 13, 2008 PEPB meeting with updates at the subsequent meetings on June 12 and September 4.

Report only Items for PEPB Workplan:

- Review agriculture agencies overhead cost rates and plans to address these at MSU and in the university system budget process @ **PEPB Meeting on March 13, 2008**
- Monitor the equipment and program development appropriations that OCHE is to grant out to campuses, community colleges, and research agencies (\$6.5 million), verify the legislative requirement for funding match @ **PEPB Meeting on March 13, 2008**
- Monitor the Six-mill levy process for November 2008 general election (SB 16 from the 2007 session) @ **PEPB Meeting on June 12, 2008**
- Monitor the statewide workforce development plan process that is required by federal funding (Perkins grant program) @ **PEPB Meeting on September 4, 2008**
- Monitor any proposed legislation for 2009 session that relates to higher education and the Montana University System @ **PEPB Meeting on September 4, 2008**

Report only Items at Request of ELG:

- Report on College Family Saving Program – 529 Investment Plan @ **PEPB and ELG Meetings on September 25, 2007**
- Request report on faculty release time to meet business community requests for workforce development programs @ **PEPB and ELG Meetings on March 13 & 14, 2008**

CAMPUS REPORTS
Board of Regents Meeting
September 19-21, 2007
Billings, Montana

Montana State University-Billings
Chancellor Ronald P. Sexton, Ph. D.

- The collaborative work of Dr. Kurt Toenjes, Assistant, Professor, Biology and Dr. David Butler, Associate Professor, Biology, has resulted in MSU-B having its first patent application on file. The invention is based on the discovery of novel anti-fungal properties of a small molecule that was previously shown to induce programmed cell death in mammalian cells. The invention provides a method for treating or controlling fungal infections, such as those caused by *C. albicans*, through inhibition of the yeast-to-filamentous growth transition. The yeast-to-filamentous growth transition is important for the pathogenicity of *C. albicans*. The invention also provides a method for controlling the yeast-to-filamentous growth transition in *in vitro* systems.
- Summer was an active time for summer camps on the MSU-B campus. Dr. Gary Young, Dean of the College of Business, directed a group of youngsters in a Business and Community Leadership Honors Camp. Young entrepreneurs sold candy, snacks and specialty items. As one of the offerings in the MSU-Billings Kids on Campus series, Dr. Young directed a group of youngsters, 20 Billings area 5th, 6th & 7th graders, who spent time building and programming robots. The Robotics Camp provided each student with a LEGO Mindstorms NXT programmable robot as well as the skills necessary to assemble, program, and control it. Other Kids on Campus camps offered throughout the summer were: "Let's Make a Movie," "3, 2, 1... Blast Off! Offered by MadScience," "Playwriting," "Cold -Blooded Critters" and "Dino Mania."
- For the eighth consecutive year, Montana State University Billings has been ranked as one of the nation's "Best Colleges" by U. S. News and World Report, for undergraduate through master's level academics, in the latest edition of "America's Best Colleges 2007." Rankings are based on several key measures of quality: peer assessment and graduation and retention rates are given the most weight. Faculty resources and student selectivity also rank highly. The magazine's guidelines and rankings are used to help students and parents in their college selection process.
- Dr. Sarah Keller, Assistant Professor in the Department of Communication and Theatre, was the top female finisher in the VikingMan Half Ironman triathlon in Heyburn, Idaho. She also finished second this spring in the Peak Triathlon in Great Falls and third in the Winter Park, Colorado, triathlon.
- The Montana State University Billings Foundation's 15th annual Wine and Food Festival, held May 14-19, netted a record \$360,000 for student scholarships and academic programs. "I can't tell you how grateful we are to the community for their continued support for the mission and vision of Montana State University Billings" said Marilynn Miller, President and CEO, MSUB Foundation. The net proceeds this year sets a record, far surpassing the \$282,000 netted at the 2006 event. To date, the fundraising event has raised more than \$2.5 million for scholarships and other special projects at the University.
- Two MSUB faculty members served as presenters at the third annual "At Risk Conference: Meth Prevention and Intervention," held in early June. Dr. Ernie Randolfi, Professor in the College of Allied Health Professions, Department of Health and Human Performance, discussed risk factors related to teenagers and drug use. Dr. Katharin Kelker, a Special Education Professor in the College of Education, led a discussion about educational interventions for children affected by meth.
- Grant awards processed for the first month of the 2007-2008 academic year totaled \$1,303,772. This total includes the renewal of two vital Big Horn Teacher Project Grants of almost \$400,000 for each grant.
- Northwest Commission on Colleges and Universities Mock Accreditation visit is scheduled for October 17, 2007.
- The State Board of Nursing Accreditation site visit at the MSUB College of Technology was July 16 & 17, 2007.
- The 2007 Walter and Charlotte Pippenger Award for Excellence in Innovation in undergraduate teaching and student learning experiences was awarded to Dr. Sarah Keller, Assistant Professor, Communication and Theatre and Dr. A. J. Otjen, Assistant Professor, College of Business. The \$5,000 award is funded by an endowment established by Dick and Cheri Cox; sons, Shawn and Scott; and the Cox Family in recognition of the parents of Mrs. Cheri Cox.
- MSU-B was awarded \$104,000.00 from The Haynes Foundation for the presentation of Jaynes Scholarships for the 2007-2008 academic year.
- The College of Business is making progress toward American Assembly of Collegiate Schools of Business (AACSB) accreditation. The initial draft of the Self Evaluation Report will be completed by September 15, 2007. A Mock Visit is scheduled for November 4-6, 2007. The year of Self Study is 2008-2009 and the Peer Visit is scheduled for Fall of 2009.

- MSUB put out a welcome mat so the Julie and Lon Carter family could pursue their dreams of a higher education. The Carters were the recipients of a refurbished 3,200 sq. ft. home, thanks to the generosity of the crew of “Extreme Makeover: Home Edition.” Julie Carter and one of her daughters have been diagnosed with Chiari Malformation, a debilitating medical condition located in the brain. Family friends and others stated that members of the Carter family – with two of three daughters being college age – have expressed interest in pursuing a higher education, but financial strains because of mounting medical bills have kept them from following that dream.

Montana State University-Northern Chancellor Alex Capdeville

- Wired Academy – Northern hosted a conference entitled the WIRED Academy on August 13-15. This is part of the WIRED grant received through Governor Schweitzer’s Agro-Energy Plan to establish a Bio-Energy Innovation and Testing Center which will help foster and promote the production of bio-diesel, bio-lubricants and other bio-energy products in North Central Montana. We are very excited about the potential this research will have to draw Bio-Diesel companies to the Hi-Line. Through that grant we have been able to hire Jessica Alcorn-Windy Boy as the Director for the Bio Energy Innovation & Testing Center, Jon Soriano as our Researcher and Keith Richardson as his Technical Advisor and Assistant. With all our personnel in place we are starting to put together testing projects. Folks from all over the U.S. attended the conference. This is an example where we will be a major player in why companies will want to build bio-diesel plants in this area.
- Lewistown –We hope to have our new Lewistown facility finished in the next two months and a grand opening sometime this fall. This project was funded solely with private funds raised by the community of Lewistown. This facility will make it possible for us to look at offering more programs in Lewistown, such as our business degree.
- NW Accreditation – Northern will have a full scale accreditation this fall. The evaluation team from Northwest Commission on Colleges will be on campus October 15-17. I want to thank Larry Strizich, Carol Reifschneider, Joe Callahan, Will Rawn and all of the faculty and staff who have helped to compile, write and edit the Self-Study for our Northwest accreditation review.
- Admin Retreat - On July 31 and August 1 key administrators and faculty members from this campus met to discuss the issues and set some goals and objectives that will serve as a foundation for the future. We are planning for the changes necessary to place Northern on a solid foundation in spite of our changing landscape.

Montana State University-Great Falls Dean Mary Moe

- College of Technology in Bozeman: Faculty have been hired for the new welding and interior design programs in Bozeman - David Cohenour and Cynthia Westover, respectively. In addition to the new faculty, Lesa Pribyl is the Director of Workforce Development. All of the interior design studio classes are full. Overall, the new programs are welcome additions to the COT in Bozeman.
- Celebration of Industrial and Construction Trades Building: A ceremony to celebrate the groundbreaking for a building to house the college’s first construction and building trades programs was held on August 27th.
- E-Waste Event: MSU-Great Falls hosted the community-wide E-Waste Event on September 8th to assist residents in getting rid of electronic waste properly. A small fee was charged per pound to dispose of televisions, computers, speakers, microwaves, cell phones and many other items. The Montana Department of Environmental Quality spearheaded the event.
- Staff and Faculty Accomplishments: Over the summer several faculty and staff attend various conferences around the nation. They brought back helpful information in the areas of benchmarking, outcomes assessment (from Alverno), and student retention. All of this new information is being put to use on the campus to help us meet our goals.
- Ryan Schrenk has been appointed to the Leadership Great Falls Steering Committee.
- Bruce Gottwig, Cisco Regional Academy Director and director of the Cisco Academy Training Center for Sponsored Curriculum was selected as one of two people to represent the State of Montana at the Cisco Networking Academy 10th Anniversary Celebration in Washington, DC in October. The other representative is Mark Olszewski, a 2004 graduate of the MSU-Great Falls Networking program who is now the Technology Architect at Great Falls Public Schools. An instructor and a student from each state were selected by Cisco for this all-expenses-paid opportunity. The event is to recognize “the extraordinary impact the Cisco Networking Academy has made in ‘educating the architects of the networked economy’ in the United States over the past decade.”

- Grayce Holzheimer arranged and displayed outstanding student artwork at The History Museum of Great Falls. She also taught 'Field Sketching' through a collaborative effort with The Glacier Institute and the MSU-Great Falls Outreach Department. Holzheimer's 'Waterways #3,' a large relief sculpture, was selected for the annual Paris Gibson Square Museum of Art Show and Auction.
- Kids' College: During the month of August, MSU – Great Falls hosted kid's college, once again. There are classes offered in art, dancing, and various other topics. The highlight has been the Harry Potter camps, but this marked the last year to coincide with the last book of the series. A total of 63 kids participated in all the classes this year.
- State Fair: Once again, the faculty and staff volunteered their time and excitement to working at the Montana State Fair in Great Falls from July 28 – August 6. This has been a great way to get the college's name out to community and answer any questions people may have.
- New Executive Board Members: This summer two new members were appointed to the College's executive board. Bryan Dunn and Joan Bennett have agreed to serve on the board for the next three years. They join current member Dave Warner. The new appointments were due to Susan Humble's term being over, and Jordon Love leaving for a master's program at Columbia University in New York. We are very excited to have Bryan and Joan join our board and work with us over the coming years.
- Online Core: Over the Spring and Summer, 22 people that included faculty and staff, were involved in creating the online core classes. A total of 12 courses were designed and will be available this fall. MSU – Great Falls just completed our 10th year offering online learning for credit.

The University of Montana-Missoula
President G. M. Dennison

- The University of Montana surpassed the \$100 million goal set for its comprehensive fundraising campaign "Invest in Discovery: Connecting, People, Programs and Place." UM met the \$100 million benchmark in July, and that amount continues to grow. Donations have come from more than 25,000 people to date – almost a third of whom are first-time donors.
- **Royce Engstrom** began his duties as The University of Montana's new Provost and Vice President for Academic Affairs. Formerly, Engstrom served as the Provost and Vice President for Academic Affairs at the University of South Dakota in Vermillion and taught in the Department of Chemistry.
- For the first time in its history, The University of Montana has hired a woman to lead its venerable, award-winning School of Journalism. UM School of Journalism alumna **Peggy Kuhr** of the University of Kansas in Lawrence was the Knight Chair on the Press, Leadership and Community for the William Allen White School of Journalism and Mass Communications.
- **Roberta "Bobbie" Evans**, who has served as the education school's Interim Dean since July 2006, accepted the role of permanent Dean.
- UM received the 2006-2007 Sterling Savings Bank Big Sky Conference Presidents Cup, an award that goes to the school with the most successful student-athletes in the classroom and on the field.
- Summer enrollment at The University of Montana jumped 191 students from a year ago. Total enrollment for summer 2007 was 3,641, compared to 3,450 students last summer.
- University of Montana students dominated this year's regional Society of Professional Journalists conference, winning 32 awards.
- University of Montana senior **Claire Barwise** won the 2007 Western Regional Honors Council Award for Poetry awarded in April.
- In April, **Tyler Hoyt**, a second-year psychology student at The University of Montana, was named the Montana Indian College Student of the Year.
- The University of Montana's **Flathead Lake Biological Station** received a three-year \$4.6 million grant from the Gordon and Betty Moore Foundation to continue studying pristine salmon and trout watersheds along the Pacific Rim.
- University of Montana Professor **Reed Humphrey** will be the first physical therapist recognized by the American Association of Cardiovascular and Pulmonary Rehabilitation with its Award of Excellence, the highest award conferred by the association.
- The University of Montana has received a \$125,000 gift from the Charlotte Martin Foundation of Seattle to support the Charlotte Yeoman Martin Endowed Scholarship.
- University of Montana biomedical research received a five-year, \$10.6 million grant for the **Center for Environmental Health Sciences**.
- **Bharath Sriraman**, Associate Professor of Mathematics at The University of Montana, has earned the 2007 Outstanding Early Career Scholar Award from the School Science and Mathematics Association.
- **Dr. Joel Berger**, a renowned wildlife and conservation biologist, was hired as the first John J. Craighead Endowed Professor in Wildlife Biology at The University of Montana.
- University of Montana radio-television students swept the competition at the Northwest Regional Emmy

Awards in Seattle in June. UM student-produced television programs won in all three student categories, including long-form news, short-form news and entertainment.

- **John Twiggs**, a television producer with the Broadcast Media Center at The University of Montana, received two Northwest Regional Emmy awards during June ceremonies in Seattle. Twiggs was nominated in three categories for work on the Montana PBS series “Backroads of Montana.”
- **The Office for Civic Engagement** at The University of Montana has received a \$320,000 grant from the Montana Commission on Community Service to support a new AmeriCorps program, Montana Making \$ense. The mission of MM\$ is to help human service organizations in the state increase their financial education options and to educate and empower Montanans to manage their money wisely.
- University of Montana alumni **Kristine Kennedy** and **Stephan “Dico” Dicomitis** were married on 31 August at Washington-Grizzly Stadium for the first annual College Colors Day Wedding hosted by UM and Collegiate Licensing Company. At this Griz themed wedding, the guests dressed in maroon and silver and The University of Montana Marching Band played the Griz fight song. Monte was the ring-bearer and the reception was a tailgate. Each year a different College around the country will host a College Colors Day Wedding.

Montana Tech of The University of Montana **Chancellor W. Franklin Gilmore**

- Montana Tech’s Center for Advanced Mineral and Metallurgical Processing (CAMP) has entered a 3-year agreement with the U.S. Army Research Laboratory on “Free Form Low Cost Titanium Fabrication.” CAMP Director Dr. Corby Anderson and John Krstulich, Project Engineer for CAMP, will serve as PI and Co-PI.
- Dr. Richard Berg, Senior Research Geologist and Mineral Museum Curator with the Montana Bureau of Mines and Geology, received the Honorary Award presented by the Northwest Federation of Mineralogical Societies and American Federation of Mineralogical Societies. Dick was given the opportunity to award two \$4000 scholarships to Montana Tech graduate students in Geological Engineering, Jane Filmore and Shawn Kuzara.
- Professor Pat Munday worked with the Center for Biological Diversity and other environmental groups to write and direct a short film to publicize the plight of the Big Hole River grayling, a species recently removed as a candidate for protection under the Endangered Species Act.
- Dr. Curtis Link, professor of Geophysical Engineering, will travel to Australia in September to help to develop exchange programs with James Cook and Curtin Universities, and doing research at James Cook University involving seismic measurements for evaluating water flow in the Mulgrave River Basin. The first exchange student from Curtin University, junior Michelle Byett, will arrive this fall.
- Dr. Kaijun Song, a post-doc from China, will be conducting research under a NASA grant through the Montana Space Consortium starting August 16, 2007 at the Geophysical Engineering department of Montana Tech. The research will include remote sensing of soil moisture using satellite radar data.
- Montana Tech has purchased and installed 16 Automated External Defibrillators (AED). Dr. Patrick McGree has agreed to provide oversight of this extension of the Emergency Response Plan. A number of CPR/AED/first aid classes are being offered to ensure an adequate number of trained responders.
- Dr. Willis Weight completed a final report of a two-year groundwater study in the north Dillon area for the Bureau of Reclamation, conducted to establish baseline conditions for the north Dillon area that was heavily impacted by drought. Dr. Weight donated his time for the project.
- The Safety, Health and Industrial Hygiene Department contracted with the National Center for Appropriate Technology (NCAT) on a grant from the Montana Department of Health and Human Services to investigate potential asbestos exposure pathways associated with weatherization activities.
- In July 2007 Assistant Professor Julie Hart’s manuscript was, accepted for publication in the *Annals of Occupational Hygiene*. Titled, “Evaluation of Asbestos Exposures During Firewood Harvesting Simulations in Libby, Montana”, the manuscript stems from Julie’s Ph.D. research in Toxicology.
- Montana Tech’s International program, the Metallurgical and Materials Engineering Department, and the Center for Mineral and Metallurgical Processing (CAMP) hosted three visitors (Dr. Takou Sugawara, Dr. Katsu Sugawara, Dr. Yokia Enda) from Akita University, Akita, Japan in August. Collaborative research programs are in the areas of wastewater clean-up, rare metals recovery, and extractive metallurgical process development.
- Biological Sciences has signed a \$298,000 cooperative agreement with the Department of Natural Resources and Conservation to construct and operate a native plant nursery to provide plants for restoration of Butte Hill and Silver Bow creek. The venture teams DNRC, Tech and Butte Silver Bow.
- In August of 2007, Professors Chris Gammons (Geological Engineering) and Steve Parker (Chemistry & Geochemistry) will present papers at the V. M. Goldschmidt Geochemistry Conference in Cologne, Germany. Gammons and his colleagues/students have 8 refereed journal publications thus far in 2007.

- David Lopez (MBMG) and Leo Heath (Petroleum Engineering Dept.) released a new report entitled: “CBM-Produced Water Disposal by Injection, Powder River Basin, Montana.”

Miles Community College President Stefani Hicswa

- Approximately 80+ students received their associate degrees at Miles Community College graduation ceremonies on Saturday, May 12, 2007. Dr. C. Robert Bennett, former MCC President, gave the commencement address. The 2007 ceremony also marked a Miles Community College presidential reunion. Past presidents attending the ceremony included Vernon Kailey (1970-1979), Dr. Judson H. Flower Jr. (1979-1995), Dr. C. Robert Bennett (1998-2001), and current Miles Community College President Stefani Gray Hicswa (2006-).
- Stefani Gray Hicswa, Miles Community College President, was one of twelve 2007 Distinguished Graduates in Community College Leadership honored on May 19 at the University of Texas at Austin. The Distinguished Graduates were presented the award in recognition of their national contribution to American community colleges. Dr. Hicswa assumed the Miles Community College presidency in July 2006.
- The Miles Community College Pioneers Baseball team won the 2007 NJCAA Region IX championship to Iowa Central Community College (Fort Dodge, Iowa) on May 20 to earn a berth in the Division II World Series on May 25-27 in Millington, Tennessee. This is the first time the MCC Pioneers have participated in World Series play.
- The Miles Community College Pioneers Basketball team was named an NJCAA National Academic Team of the Year for the Winter-Spring 2007 season. It is the fifth time that the Pioneers have been so honored. The men’s basketball team at MCC accumulated a 3.51 GPA on a 4.0 scale; the highest of any NJCAA men’s basketball participant.
- The Miles Community College Board of Trustees held a board retreat and strategic planning session on July 23, 2007 at the Holy Rosary Healthcare Hospital facility in Miles City. President Hicswa provided board training sessions for all board members. Topics included parliamentary procedure, strategic budget process and facilities master plan, program planning and partnerships, fundraising, history of community colleges, and emerging trends and issues.
- The Miles Community College MAP-WIRED grant project, “Today’s Fuels for Tomorrow’s Growth,” provided demonstrations at community fairs and agricultural expositions in July-August. Kristin Gustad, MAP-WIRED Grant Project Director, provided demonstrations utilizing an oil seed crop press and giving information on the potential in central and eastern Montana for diverse bio-energy development. Miles Community College is in partnership with Chief Dull Knife College, Fort Belknap College, Fort Peck Community College, Little Big Horn College, and Stone Child College for the “Today’s Fuels for Tomorrow’s Growth” project.
- Michelle Weight was selected as the Miles Community College Dean of Academic Affairs in July 2007. Ms. Weight has been the Director for the MCC Center of Distance Education and Community Outreach since 2002. She has been instrumental in development of the MCC distance education programming which includes interactive television and online classes. She has also worked in tandem with community and regional employers developing customized workforce training opportunities for employee’s professional development. Michelle assumed her new duties as Dean of Academic Affairs on August 1.
- Miles Community College was approved for **\$73,600** in state funding and private grant funding; a) \$36,600 for a truck for CDL training and \$12,000 for science lab equipment upgrades, and b) \$25,000 from a private foundation that will be used as seed money in fundraising for building an indoor agricomplex arena for MCC equine studies classes and the agriculture and rodeo programs.
- The 2007 Fall Roundup was held on Thursday evening, August 30 at the MCC campus grounds. Community citizens were invited to attend a barbecue, learn of the developing Equine Studies classes, see demonstrations of the biofuels seed press from the MCC MAP-WIRED project, meet the 2007-08 MCC Pioneers Rodeo Team, and take horse-drawn wagon rides to the current upgraded outdoor arena facility. Students in the Agriculture studies program and MCC Pioneer Rodeo students participated in the evening which included kids stick horse races and practice barrel rides.

Flathead Valley Community College President Jane Karas

- **Whitefish City Attorney John Phelps** joined the **Board of Trustees** in June. He has served as a practicing attorney for 29 years, with the last 26 years primarily representing boards of public agencies. Phelps served as an adjunct faculty instructor at the college in 1994 and 1995.
- Flathead Valley Community College hosted an **opening celebration** of its new **Occupational Trades Building** June 30. The college was joined by a number of local, statewide and national elected officials

including **U.S. Senator Jon Tester, Montana Governor Brian Schweitzer, Flathead County Commissioner Dale Lauman and Kalispell City Mayor Pam Kennedy**. Senator Tester led the ribbon cutting ceremony using a cutting torch to “cut” through a steel ribbon designed by a FVCC student.

- Flathead Valley Community College introduced its new state-of-the-art **black box theatre** to the public in August with its debut of **summer theatre**, a program comprised of 30 local college and high school students. Led by FVCC theatre arts faculty and a staff of five FVCC theatre graduates, the program consisted of three family-friendly productions—“**Play On!**” “**Jack and the Giant**” and “**Bye Bye Birdie**”—totaling 21 shows. The new theatre symbolizes a milestone in the college’s theatre arts program as it ends a 14-year period of performing in a space comprised of four classrooms with retractable walls.
- The new **Arts and Technology Building** at FVCC is now fully operational. The 61,500-square-foot-structure is the campus’ largest facility and provides a state-of-the-art learning experience with large windows welcoming natural lighting and views of the Swan Range. In addition to housing the black box theatre, the building contains a fully-equipped teaching kitchen for the culinary arts program and one large and two small community meeting rooms with teleconferencing capabilities and cutting-edge technology. The facility houses the new graphic arts program and the college’s first Macintosh computer lab and is the new home of the college’s Continuing Education Center and all of the college’s art programs.
- FVCC placed **first** in the adult fair parade category and won the **grand prize** sweepstakes trophy in the float category in the Northwest Montana Fair Parade August 17. Themed “Wild Ride of College Pride...Celebrating 40 Years of Lifelong Learning,” the float was joined by FVCC current and former employees, theatre students and alumni.
- FVCC hosted the **Montana Career Clusters Conference** at the new Hilton Garden Inn in Kalispell in June. Stephen Jordan, vice president of the United States Chamber and executive director of its Business and Civic Leadership Center, and Lydia Logan, senior director of the Institute for Competitive Workforce, an affiliate of the U.S. Chamber of Commerce, served as keynote speakers. As part of the conference that centered on aligning high school and college education to meet the business demands of the 21st century, FVCC held a commencement ceremony to honor five of the seven Flathead High School students who recently earned FVCC Certificates of completion during their senior year of high school. Conference attendees also toured the new Glacier High School and FVCC’s new Occupational Trades Building. The tours were followed with a gourmet picnic prepared by the FVCC culinary arts students on the college’s campus.
- Twelve FVCC students returned from a six-week **educational expedition** outside of **Cusco, Peru in the village of Urubamba**, on August 27. The college’s inaugural mini-semester program presented students the opportunity to earn up to 12 college credits while participating in an international academic adventure. Activities included hiking the Andes mountains, traveling to Machu Picchu, exploring cultural exchange opportunities, participating in community service work, visiting archeological sites and Inca ruins, learning to speak Spanish in practical situations and discovering the wonders of the Peruvian culture.
- The Flathead Valley Community College Foundation hosted sold out summer tours of the **Bibler Home and Gardens** in July. Nearly 340 guests were treated to the tours that raised more than \$3,330. In addition, 35 patrons attended the special tours for gardeners presented by Bibler Home Head Gardener Miriam Ascher, raising over \$300.
- Eight FVCC students were named summer 2007 recipients of **Whitefish Credit Union’s Community Pride Scholarships**. The following students received scholarship awards totaling \$1,700 for the summer 2007 semester at FVCC: Shawn MacNorius, Danielle Ruther, Mariah Connolly, Erin Giefer-Heffernan, Shawn Maguire, Tabatha Miller, Shirley Priestley and Laura Ulmer.

September 19–21, 2007

ITEM 136-2004-R0907 **Authorization to Appoint Members to the Fire Services Training Advisory Council; Montana State University-Bozeman**

THAT: The Board of Regents of Higher Education appoints Curt Belts, Woody Ekegren and Gar Wood to a term beginning September 15, 2007 and ending September 14, 2009, on the Fire Services Training Advisory Council

EXPLANATION: Montana Code Annotated, 2-15-1519, requires that the Board of Regents appoints a Fire Services Advisory Council to work with the Director of the Fire Services Training School. This item will meet the conditions set forth in that statute.

ATTACHMENT Resumes attached

CURT BELTS
P.O. Box 63
Florence, MT 59833
(406) 273-6204

SUMMARY OF EDUCATION AND EXPERIENCE

EDUCATION : High School Diploma (Helena Senior High School, Helena MT.)
Bachelor of Science in Business Management and
Leadership (Kennedy-Western University)

EMPLOYMENT: AUGUST 3, 1980 to PRESENT

Missoula Rural Fire District

2521 South Avenue West

Missoula, MT 59804

(406) 549-6172

Supervisor: Larry Hanson, Fire District Board Chairman

2006 – Present **District Fire Chief**
Overall responsibility for all aspects of the Fire Districts functions.
(CEO)

1999- 2006 **Assistant Chief/Fire Marshal**
Representative Duties: Supervision of 92 employees (combination of
paid 36, residents 11, and volunteers 45) Fire Department Operations,
Fire Code Enforcement, Subdivision review, Origin and Cause
investigation, Personnel officer, budget preparation and
administration, Public Information Officer, and serve as the Chief in
the absence of the District Fire Chief.

1993-1999 **Captain/ EMS Coordinator**
Representative Duties: Licensing of all levels of EMTs for 60
personnel, providing Continuing education for EMTs, provide
refresher courses, order Medical supplies, drug inventory, and liaison
to hospital and Medical Director. Budgetary authority for EMS
Division.
Engine Company Officer, Supervision of 3 firefighters daily, shift
training, company inspections, business preplans, station and
equipment maintenance, incident command, and personnel safety,
and other incident operations. Serve as Acting Battalion Chief.

1990-1993 **Lieutenant/ EMS Coordinator**
Representative Duties: Licensing of all levels of EMTs for 60 personnel, providing continuing education for EMTs, provide and coordinate refresher courses, order medical supplies, drug inventory, and liaison to hospital and Medical Director.
Station Officer: Station budgetary authority, ordering station supplies, Coordinate work and duty assignments, station and equipment maintenance, incident command, and personnel safety, and other incident operations

MILITARY

United States Navy Reserves
Navy Mobile Construction Battalion 18
Naval Reserve Center Helena
Fort Harrison
Helena, MT 59601

Supervisor:

SWC Kevin Chamberlain, Officer In Charge (OIC) NMCB 18

AUGUST 1984 to OCTOBER 2001

1998-2001

Assistant Officer In Charge, Hospital Corpsman Chief Petty Officer (E-7)

Representative Duties: Supervision of 135 Navy personnel, coordinate and plan annual training for 135 personnel, lead unit corpsman, combat medic, paramedic, CBR officer, unit career counselor, and serve as OIC in his absence.

Reason Left:

Retired with 26 years of total military service.

WORK HISTORY

1989-1992	Flight EMT	Saint Patrick's Hospital, Missoula, MT
1989-1991	EMT Driver /Attendant	Arrow Ambulance, Missoula, MT
1993-1989	EMT Exam Staff (contract employee)	State of Montana – EMS Bureau
1975-1979	United States Navy (active duty)	

ADDITIONAL EDUCATION:

National Fire Academy:

Management for Emergency Services, 80 contact hours, August 1985
Fire Service Instructional Methodology, 80 contact hours, August 1986
Fire Arson Investigation, 80 contact hours, February 1989
Fire Service Communications, 80 contact hours, May 2000
Advanced Public Information Officer, 40 contact hours, March 2002
Financial Management, 80 contact hours, July 2002

Montana State Fire Services Training School:

Crash, Fire and Rescue, 40 hours, 1980
Advanced Arson (electricity), 40 hours, 1995
Advanced Arson (insurance fraud) 16 hours, 1996
Advanced Arson (fire spread) 24 hours, 1998
Advanced Arson (explosives) 16 hours, 1993
Advanced Arson (crime scene and evidence) 16 hours, 1994
Advanced Arson (origin and cause) 40 hours, 1991
Leadership for the Fire Service 14 hours, 1996
Incident Command I & II 24 hours, 1990
Incident Command System, 18 hours, 1991
Incident Management Team Development 16 hours, 1998
Incident Safety Officer, 14 hours, 1999
Many other FSTS workshops to numerous to mention

State of Montana:

Emergency Medical Technician - Defibrillation 15 hours, 1986
Emergency Medical Services Training Coordinator 40 hours, 1997
First Responder Course Manager 40 hours, 1985
Montana Basic Trauma Life Support, 24 hours, 1988
Law Enforcement Academy - Basic 39, 240 hours, 1980
Many other classes and workshops to numerous to mention

Department of Transportation:

Emergency Medical Service Instructor Course, 40 hours, 1984
Emergency Medical Technician Course - Basic, 110 hours, 1981
Prehospital Burn Life Support, 40 hours, 1993
Prehospital Trauma Life Support, 40 hours, 1992

Other Fire Service Training:

Labor/Management Team Building workshop, parts 1 & 2
(International Association of Fire Chiefs) 48 hours, 1998
Labor/Management Team Building workshop, parts 1 & 2
(International Association of Fire Chiefs) 48 hours, 2000
Management of Fire Based EMS (International Association of Fire
Chiefs) 24 hours, 1998
Fire Service Based EMS (International Association of Fire Fighters)
30 hours, 1998
National Incident Management System, February 2005

United States Navy:

Leadership and Management for Leading Petty Officers, 80 hours,
1987
Instructor Basic Training, 80 hours, 1988
Human Behavior, 3 credit hours, 1989
Leadership Continuum for Chief Petty Officers, 80 hours, 1998
Combat Command 40 hours, 1998

CURRENT LICENSES AND CERTIFICATIONS:

Emergency Medical Technician - Basic
Emergency Medical Technician - Defibrillation
American Heart Association CPR
NFPA Fire Fighter III
Incident Management System
Hazmat Operations

OTHER SIGNIFICANT LEADERSHIP POSITIONS:

President Local 2457, International Association of Fire Fighters
15 years
Chief Petty Officer (E-7), United States Naval Reserves
Leading Chief Petty Officer, Naval Mobile Construction Battalion
Detachment. 0118 (Seabees)

AWARDS AND RECOGNITION:

Career Fire Fighter of the Year
Board of Trustees Award
District Fire Chief Award

COMMITTEES SERVED

Strategic Planning
Oversight Committee AdHoc member of Manpower section
Manpower
Codes and Standards
Montana Governor's task force for Ambulance Revisions

Woodrow A. Ekegren Jr.
 Professor Emeritus, MSU Extension - Retired
 509 Amsterdam Boulevard, Belgrade, Montana 59714
 406-388-7047

EDUCATION

Harlem Public Schools, Harlem, Montana

Montana State University, 1962 - 1966
 Bachelor Degree, Agriculture Education

Montana State University, 1970 - 1972
 Masters Degree, Agriculture Education

EMPLOYMENT

Custer Public Schools, Custer, Montana	1966 - 1970
Instructor of Vocational Agriculture	
MSU Extension	1972 - 2006
County Agent	1972 - 1990
(Silver Bow, Carbon, Big Horn, Hill Counties)	
Area Supervisor	1990 - 1993
Statewide Director	1993 - 2006

RESPONSIBILITIES

- To provide educational opportunities to all ages of Montana residents
- To provide information in response to individual questions
- To coordinate community development projects
- To project future needs and to work to address those needs
- To provide education, coordination and evaluation to individual county agents

AWARDS AND RECOGNITION

- 1980 Montana County Agent of the Year
- 1981 Achievement Award, National Association of County Agriculture Agents
- 1984 Regional Vice Chair, National Association of County Agricultural Agents, Extension Programs Committee
- 1986 Regional Winner, National Association of County Agricultural Agents, Public Relations Award.
- 1986 - 1988 National Chair, National Association of County Agricultural Agents, Extension Programs Committee
- 1989 State Distinguished Service Award, Epsilon Sigma Phi
- 2006 Professor Emeritus

Gar C. Wood and Associates*Archaeological Consultants*203 MAIN STREET
LOMA, MONTANA 59460-0207**Garvey C. Wood**

August 2007

PRESENT STATUS:

Co-owner/operator with Vivian B. Wood of four small businesses including the 1040 acre Wood Haven Farm, the archaeological consulting firm of Gar C. Wood and Associates, the fully licensed motel Rose River Inn, and the convenience store Midway Mercantile.

EDUCATION:

B.S. SOCIOLOGY; Anthropology Option. Montana State University at Bozeman, 1974
 Anthropology Graduate School. University of Wyoming at Laramie, 1974-1977.
 Emphasis in archaeology and linguistics.
 Anthropology Graduate School. University of Montana at Missoula, 1977-1983.
 Emphasis in archaeology. All but thesis.

PROFESSIONAL EXPERIENCE:

1979 - current. Archaeologist, Gar C. Wood & Associates, Loma.
 1979 - current. Archaeologist, volunteer, Museum of the Upper Missouri, Fort Benton.
 1989 - current. Archaeologist, volunteer Director, Earth Science Museum, Loma.
 1990 - current. Archaeologist, volunteer, Museum of the Northern Great Plains,
 Official State of Montana Museum of Agriculture, Fort Benton.

PUBLICATIONS AND TECHNICAL REPORTS:

1977 Fort McKenzie (24CH242): A Study in Applied Historical and Archaeological Methods, in *Archaeology in Montana*, 18(1)43-55.

1979-1982 Current Research Editor: Northern Plains and Mountain States. *Society for Historical Archaeology Newsletter*.

1974-2007 A total of 2,766 cultural resource management reports of inventory, evaluation, mitigation, and/or excavation for a wide variety of projects in Montana, Oregon, Washington, South Dakota, Wyoming, and Alberta. Reports on file at Montana State Historic Preservation Office, Oregon State Historic Preservation Office, Washington State Historic Preservation Office, Wyoming State Historic Preservation Office, South Dakota State Historic Preservation Office, and Alberta Culture Office.

2006 "Archaeology and Oil and Gas in Montana", in *The Treasure State Journal*, MPA, pp.60-63

RESEARCH INTERESTS:

Prehistoric and historic land use patterns and practices.

HONORS AND AWARDS:

- 1967 Heisey Foundation Award
- 1968 Heisey Foundation Award
American Legion Certificate of School Award
State Farmer - Future Farmers of America
- 1979 Outstanding Toastmaster - Loma Toastmasters Club 1020
Outstanding Toastmaster - Region 3 - District 17 TAI
- 1980 Competent Toastmaster - Toastmasters International
- 1991 Able Toastmaster - Toastmasters International
- 1995 4-H Award of the Gold Clover

OTHER CURRENT ACTIVITIES:

- Emergency Medical Technician - Basic - NREMT #229935, MT #86
- Private Pilot - Airplane Single Engine Land
- Volunteer firefighter - Loma Rural Volunteer Fire Company, Fire Chief
- Amateur Radio License - KD7YZL
- United States Coast Guard Auxiliary - Great Falls Flotilla 10-07, Flotilla Commander
- Fort Benton United Methodist Church - Administrative Board, Chair



Montana University System

UNIVERSITY OF MONTANA

Missoula
MT Tech
Helena
Western

MONTANA STATE UNIVERSITY

Bozeman
Billings
Great Falls
Northern

COMMUNITY COLLEGES

Dawson
Flathead Valley
Miles

Strategic Directions

Investing in Montana's Competitive Future

www.mus.edu

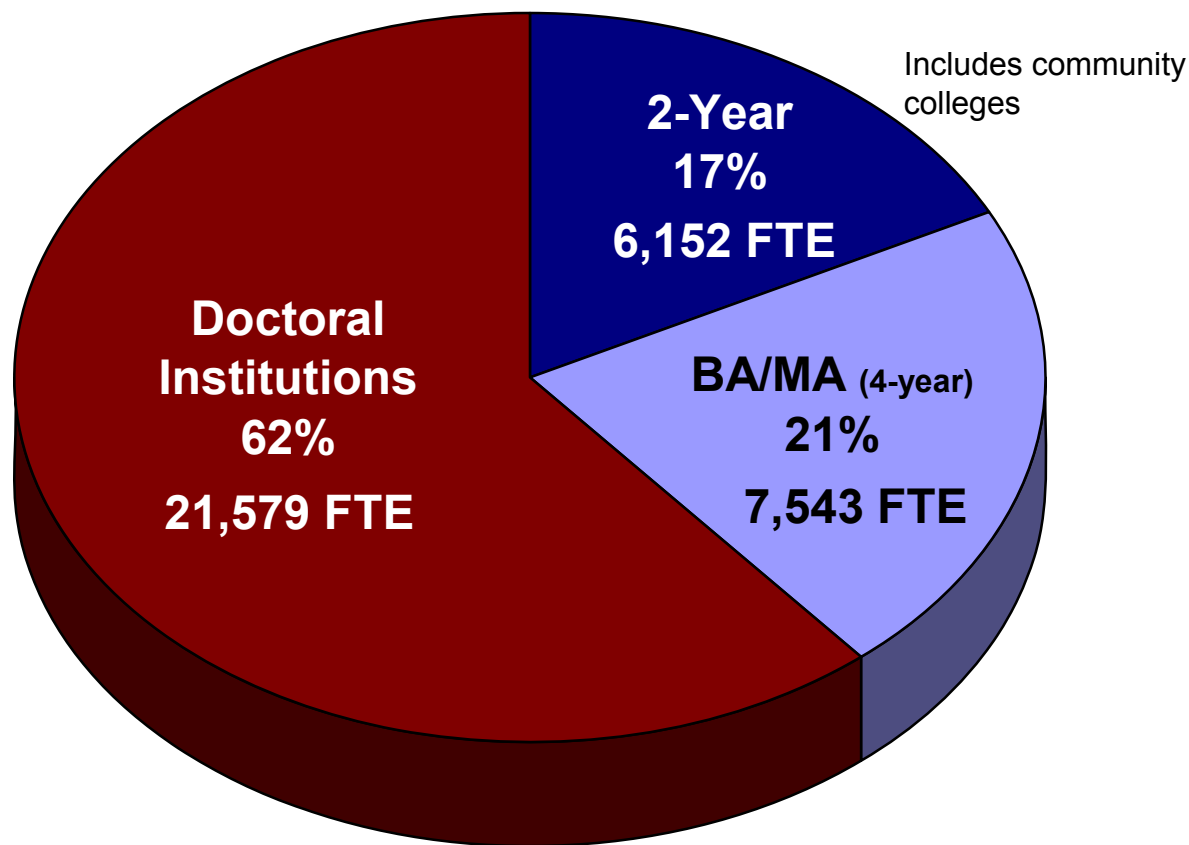
Fall 2007



BACKGROUND: Enrollment Distribution

Student FTE Distribution by Institution Type

Annual Average FTE 2006-07



Total MUS
Headcount =
41,759

Total MUS FTE =
35,293

Full-time Equivalent (FTE) Definition:

Measure of student
workload

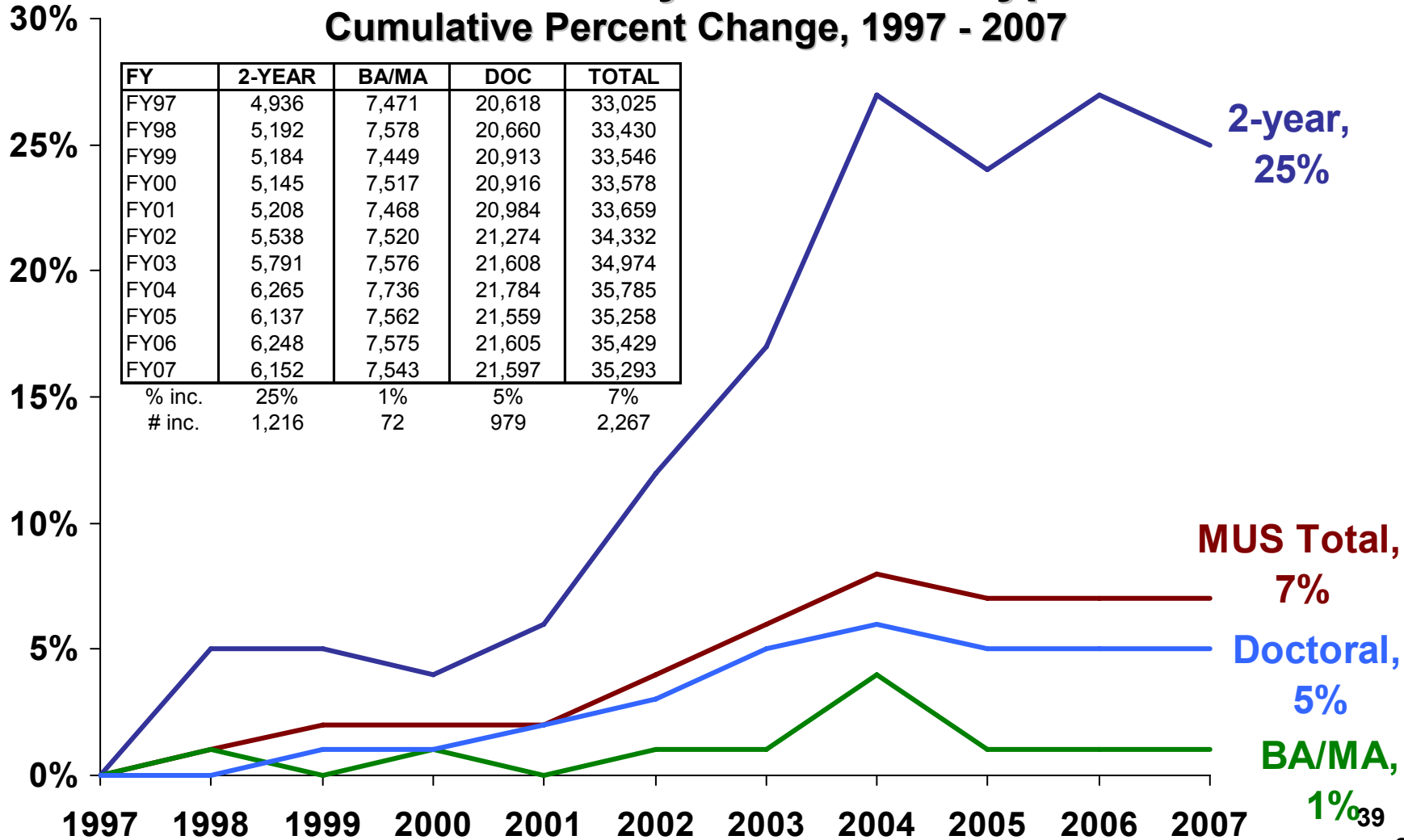
One undergrad FTE
is equal to enrollment
in 15 academic credit
hours per semester

One graduate FTE is
equal to enrollment
in 12 academic credit
hours per semester



BACKGROUND: Enrollment Growth

Student FTE by Institution Type Cumulative Percent Change, 1997 - 2007





Board of Regents' Strategic Goals

**Access &
Affordability**



**Economic
Development**



**Efficiency &
Effectiveness**



Strategic Directions

CAP (tuition policy)

2-year Entry

K-12 Collaboration

Distance Education

**Graduate Program
Enhancement**

**Workforce &
Research Initiatives**

**Transferability &
Student Data**

**Funding Allocation
Methodology**



Board of Regents' Strategic Goals

Access & Affordability

GOAL I: Increase the overall educational attainment of Montanans through increased participation, retention and completion rates in the Montana University System

CAP – College Affordability Plan (tuition policy)

- Implement CAP for 2007-08 & 2008-09
- Continue promoting affordable education in Montana

Data Points: [tuition comparison](#) (12), [tuition history](#) (13), [funding history](#) (14)

2-year Entry – increase access and participation at 2-year institutions

- Dual enrollment
- Non-traditional student enrollment
- Transfer of credit
- Differential Tuition
- Community Perception
- Need-based aid

Data Points: [CC participation](#) (15), [non-trad](#) (16), [CC tuition](#) (17), [tuition ratio](#) (18), [need-based](#) (19), [remediation](#) (20)



Board of Regents' Strategic Goals

Access & Affordability (cont.)

GOAL I: Increase the overall educational attainment of Montanans through increased participation, retention and completion rates in the Montana University System

K-12 Collaboration – work to establish/implement Kindergarten to College priorities

- Link data system with K-12
- Dual credit
- Academic preparation

Data Points: [HS grads](#) (21), [college cont rate](#) (22), [rate increases](#) (23), [MT participation rate](#) (24)

Distance Education – enhance and coordinate distance education

- System-wide portal for distance learning courses and degree programs - www.mus.edu/online/
- On-line student services and advising
- Expand offerings in high demand fields

Data Points: [MUS on-line](#) (25), [DE enrollment](#) (26)



Board of Regents' Strategic Goals

Economic Development

GOAL II: Assist in the expansion and improvement of the state's economy through the development of high value jobs and the diversification of the economic base.

Graduate Program Enhancement – invest in graduate programs to increase research and spur economic development:

- Increase enrollment and completion
- Promote connection between research and economic development

Data Points: [% grad enrollment](#) (27), [R&D Peer Comparison](#) (28)

Workforce and Research Initiatives – expand efforts to connect education with workforce and economic development

- Increase workforce training in healthcare and construction, as well as other high demand fields
- Invest in equipment and technology
- Grow research endeavors to fuel the economy
- Develop better data connecting education to economic development

Data Points: [research expenditures](#) (29), [funding1](#) (30), [funding2](#) (31), [workforce](#) (32), [migration](#) (33), [data connection](#) (34)



Board of Regents' Strategic Goals **Efficiency & Effectiveness**

GOAL III: Improve institutional and system efficiency and effectiveness.

Transferability & Student Data – improve transferability and invest in the development of a system-wide student data system

- Improve transferability of credits between MUS institutions
- Increase access to transfer and student-related information
- Enhance accountability and data system

Data Points: [transfers](#) (35), [total credits](#) (36), [2-year Transfers](#) (37)

Funding Methods – explore alternative methods of funding the university system and allocating dollars throughout the system

- Study alternatives to MUS funding formula (PEPB)
- Possible revisions to allocation methodology – strategic directions

Data Points: [funding per fte](#) (38)



Emerging Issues & Trends

Budget Slides

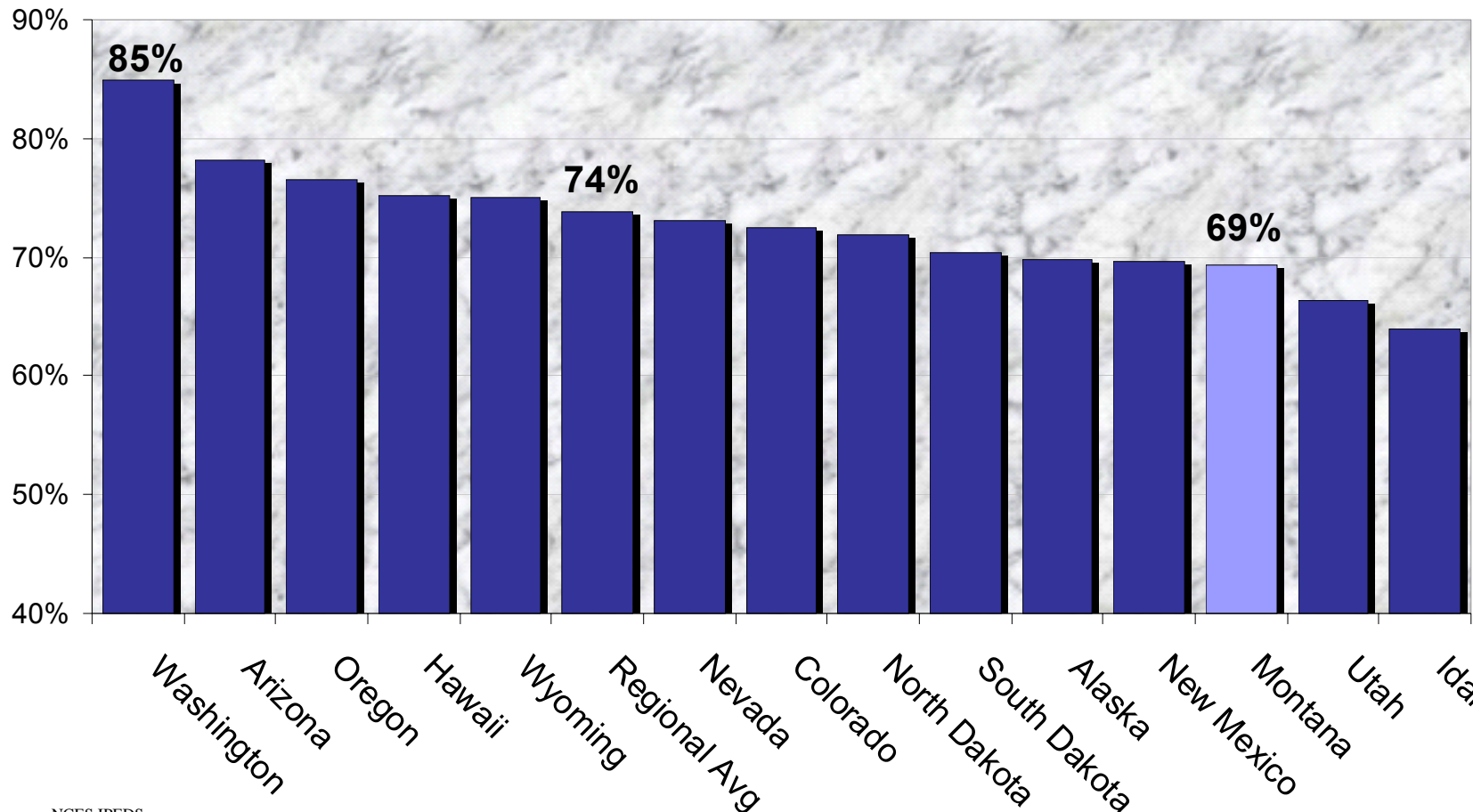


Emerging Issues & Trends

Retention Rates are Below the Regional Average

Freshmen Retention Rates at 4-year Public Institutions 2005-06

Students Entering Fall 2005, Returning Fall 2006



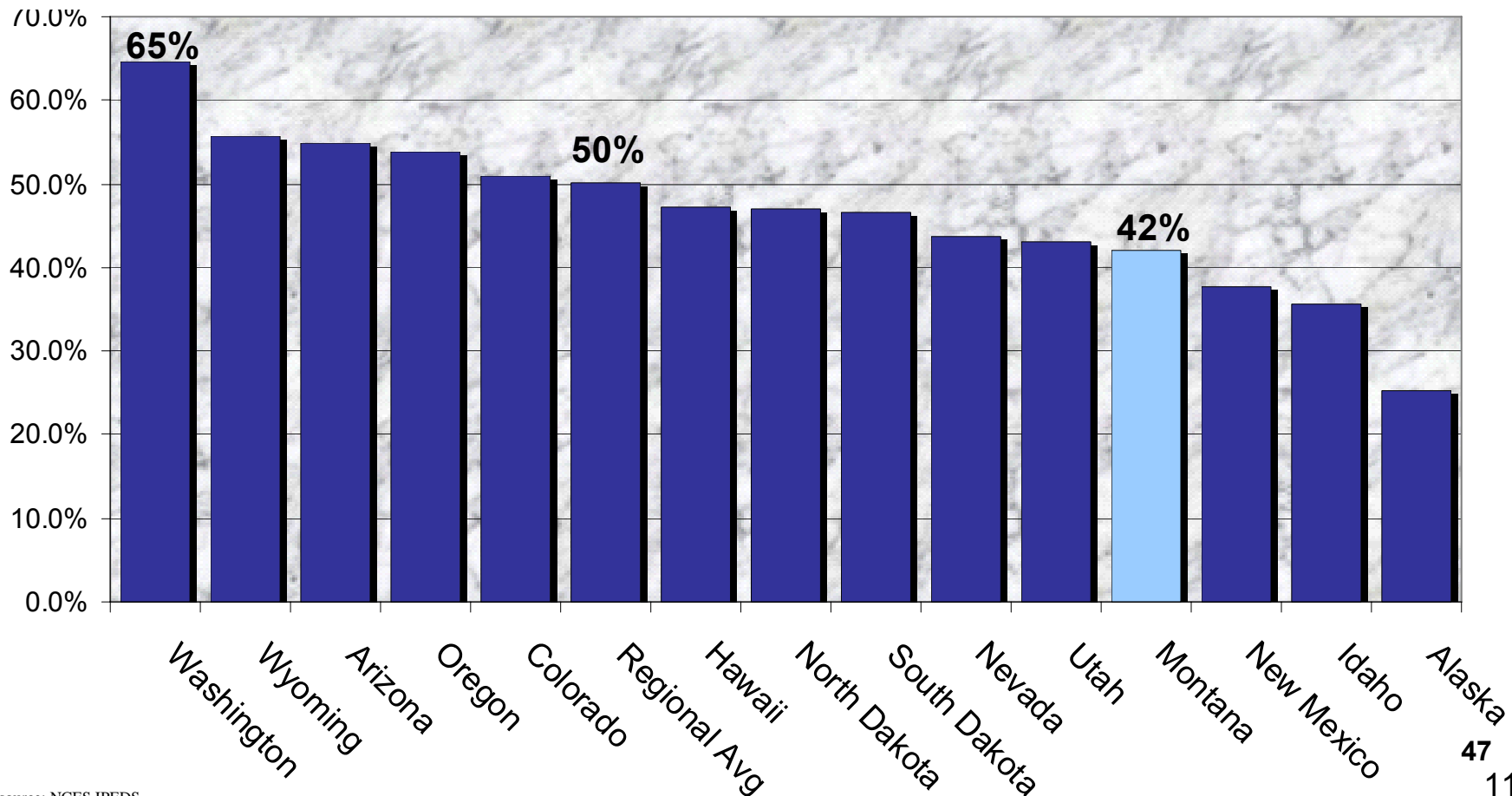


Emerging Issues & Trends

Graduation Rates are Below the Regional Average

Graduation Rates at 4-year Public Institutions, 2005-06

Percent of 1st-time, Full-time, Students Earning Bachelor's Degrees within 6 Years

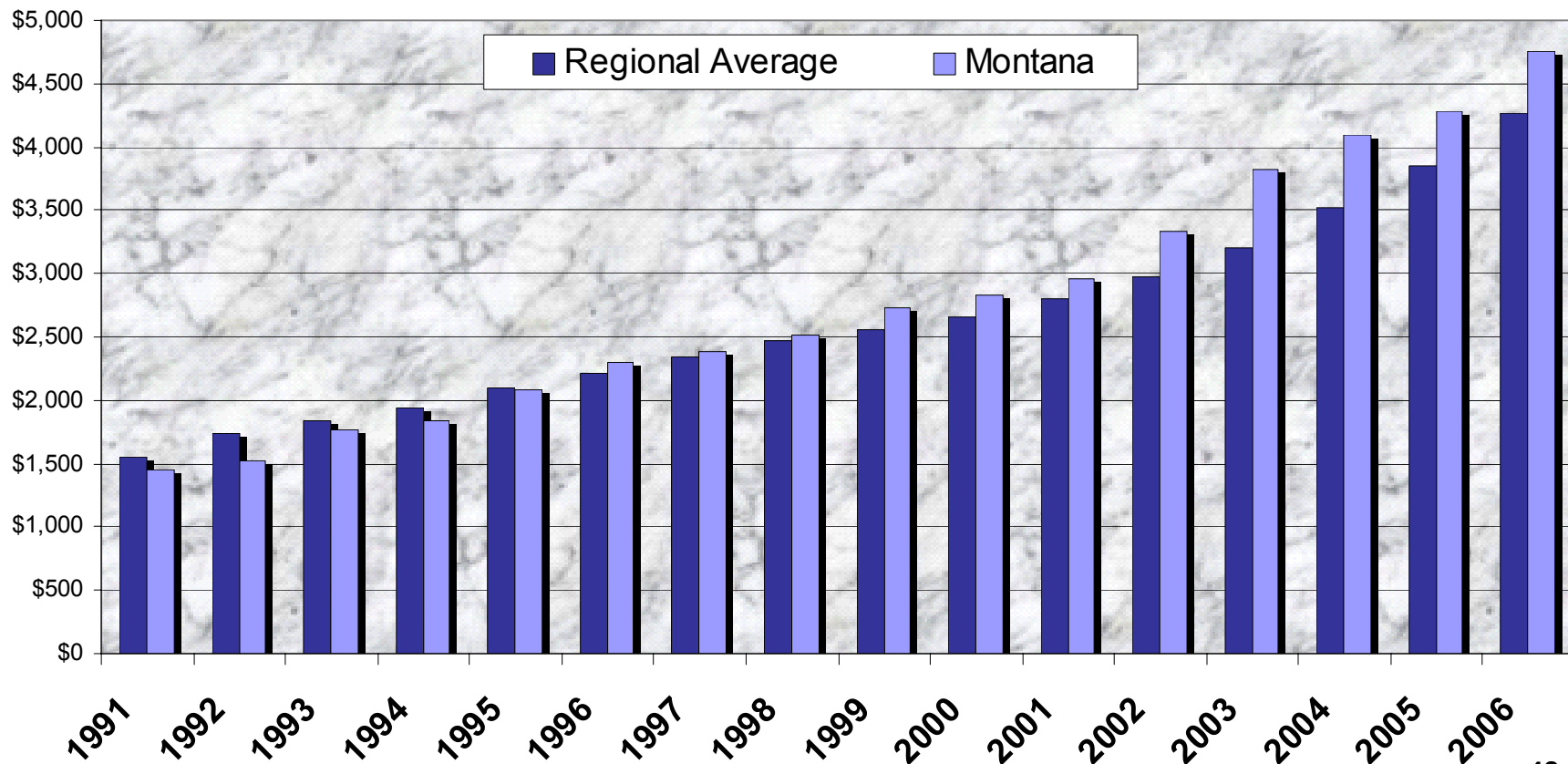




Emerging Issues & Trends

Tuition in Montana is Higher than the Regional Average

Average Tuition & Fees for Resident, Full-time Undergraduates
Public, 4-year Institutions, Academic Years 1991 - 2006



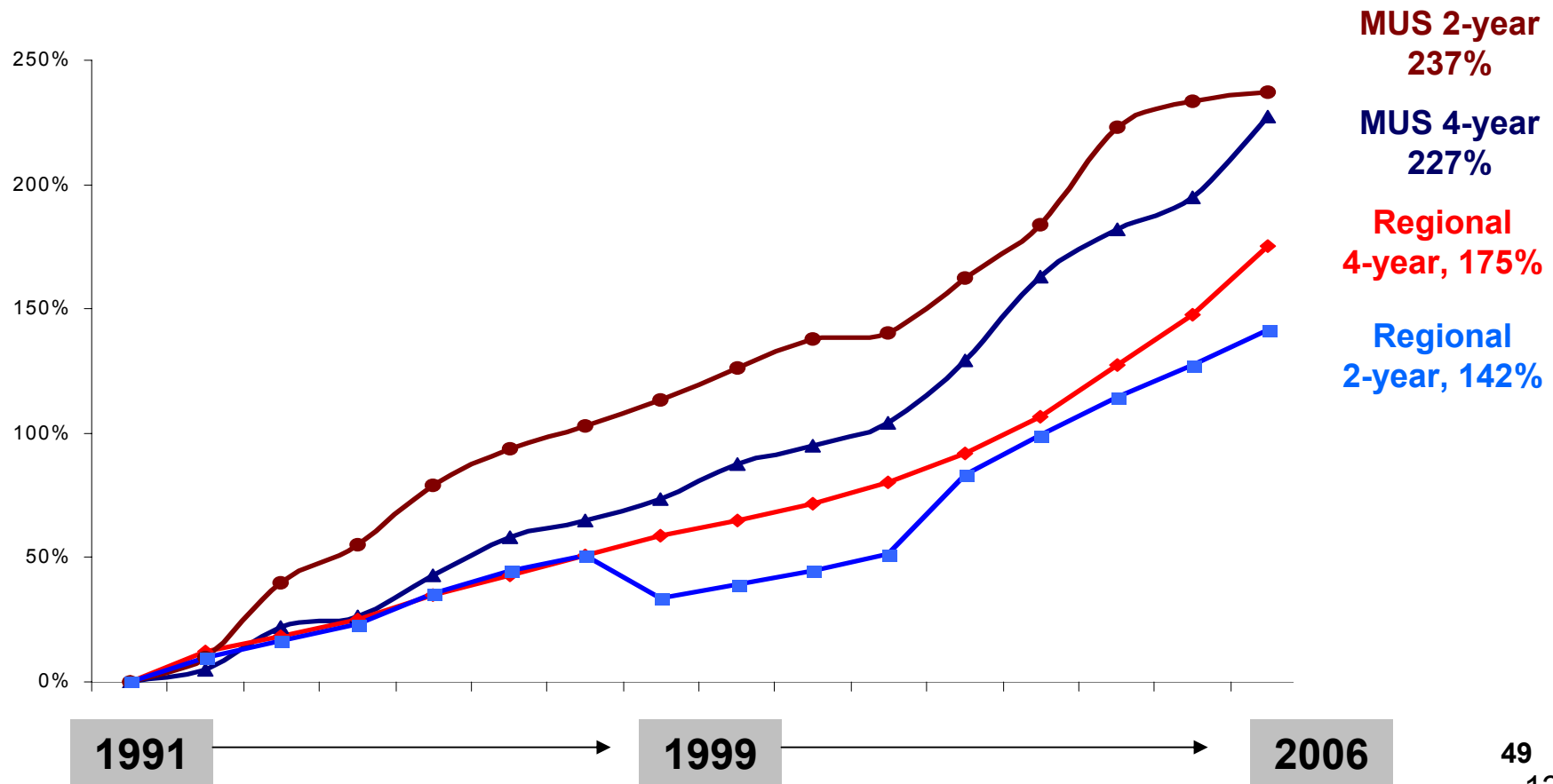


Emerging Issues & Trends

Tuition in Montana has Grown Faster than the Regional Avg

Tuition and Fee Increases for Full-time Resident Undergraduates

Cumulative Percent Change, 1991 to 2006 (academic year)



[back](#)

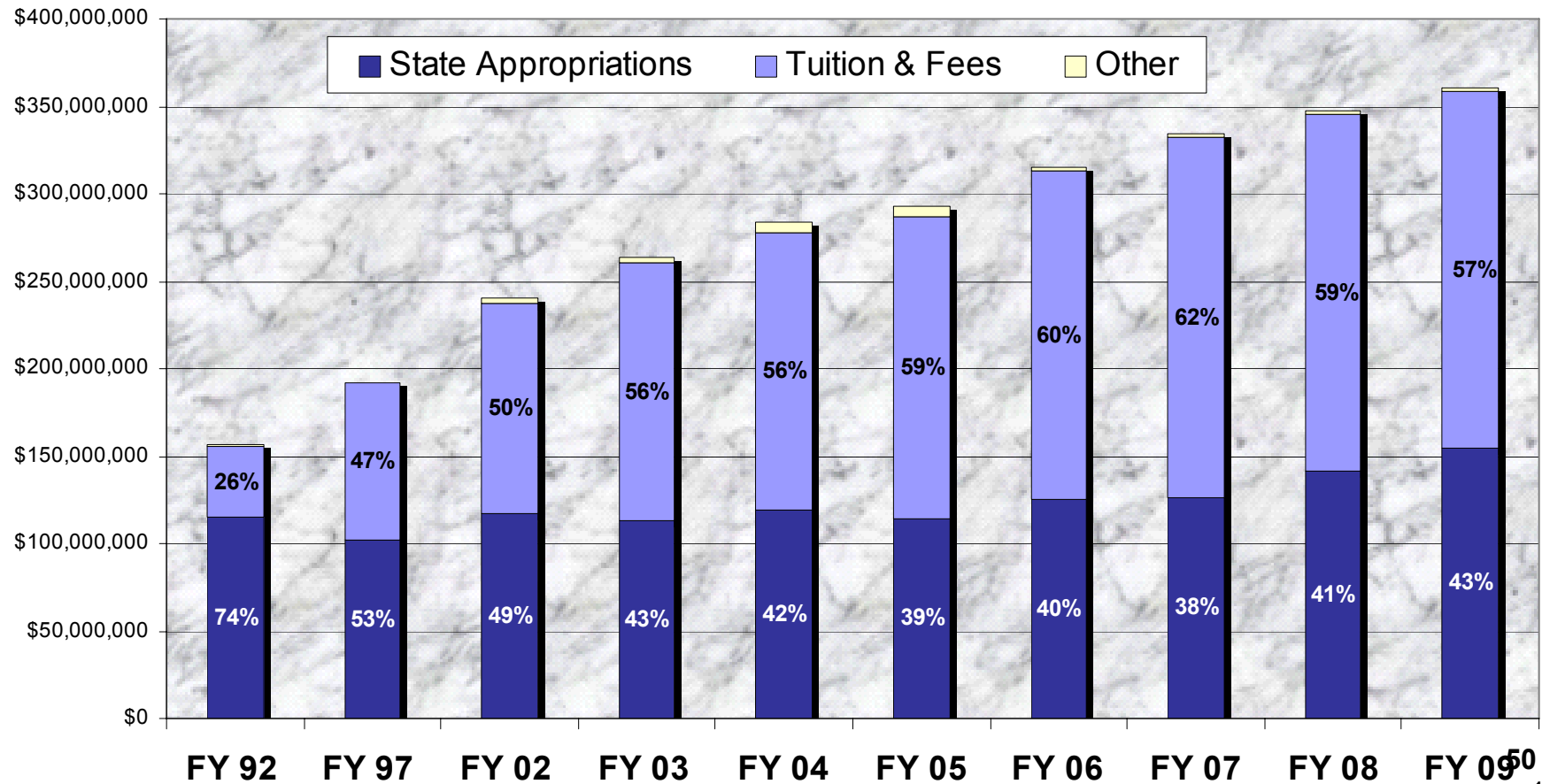


Emerging Issues & Trends

Trend of Declining State Support Shifted in 2008

MUS Funding History by Revenue Sources

MUS Education Units, Fiscal Years 1992, 1997, 2002 - 2009



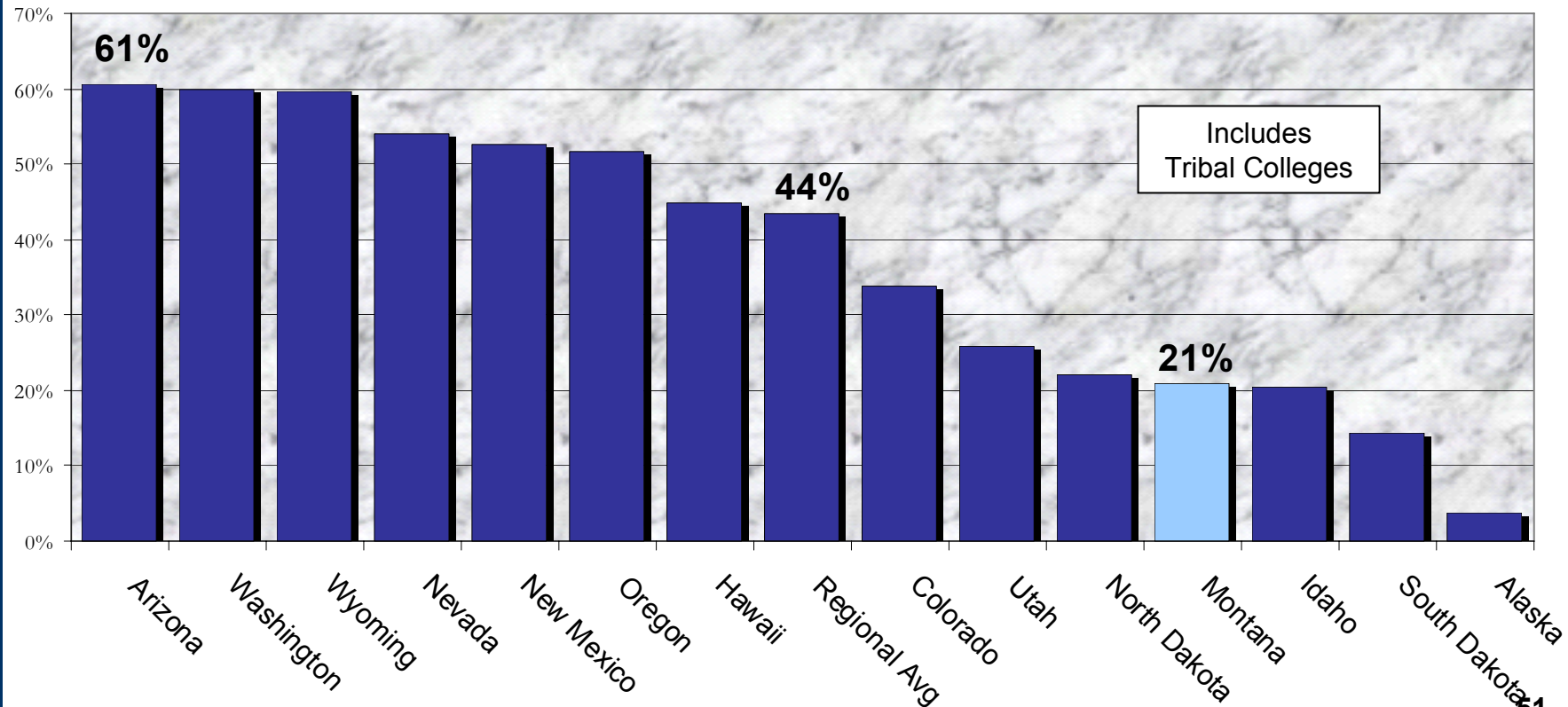


Emerging Issues & Trends

Low Percentage of Students Enrolled in Two-year Colleges

Percent of Higher Education Enrollment at 2-year Institutions

Unduplicated Headcount at Public Institutions, Fall 2006





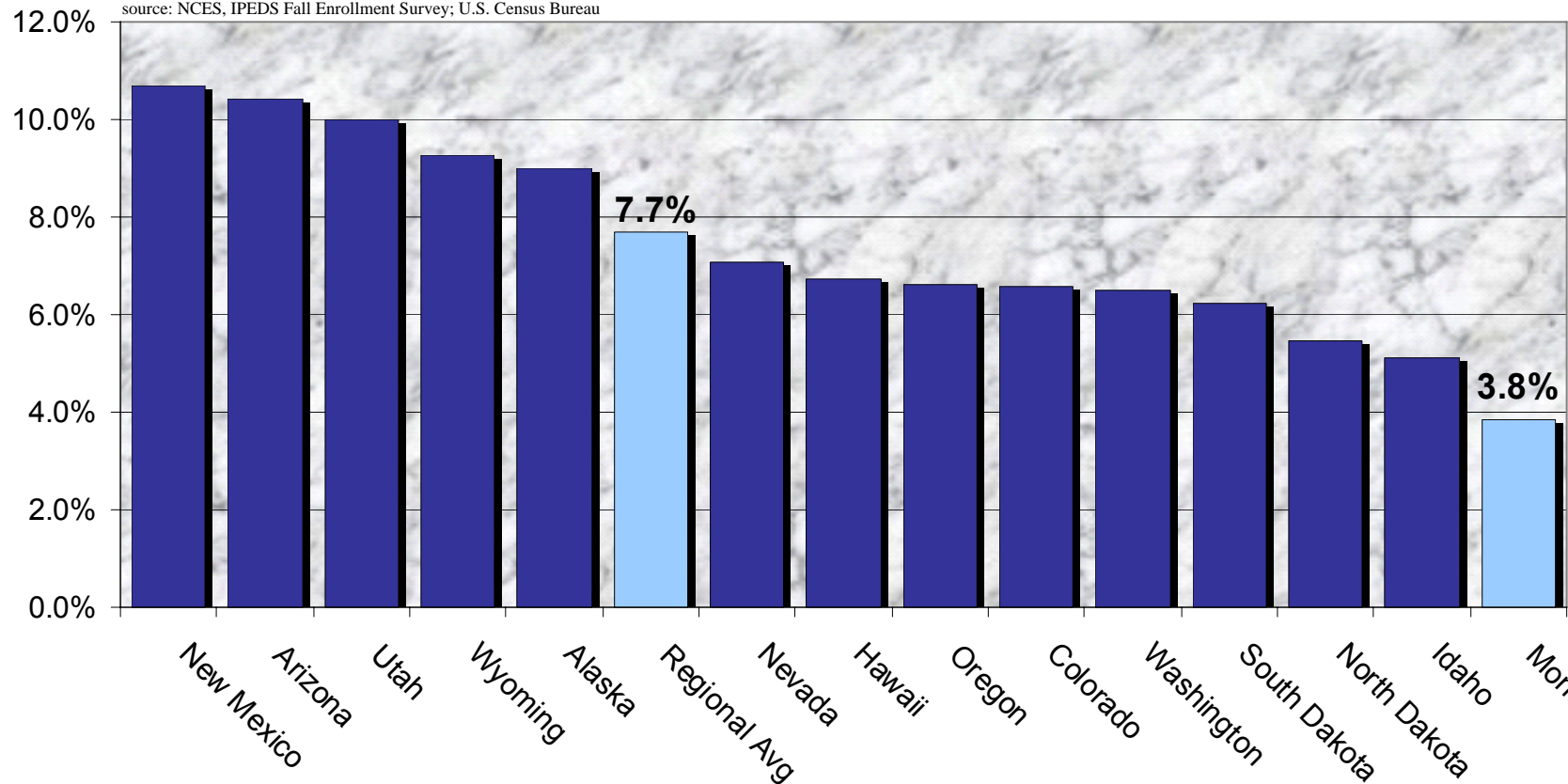
Emerging Issues & Trends

Low Percentage of Adults Enrolled in Higher Education

Part-time Undergraduate Enrollment as a Percent of Pop. Ages 25 to 44

2004-05

source: NCES, IPEDS Fall Enrollment Survey; U.S. Census Bureau



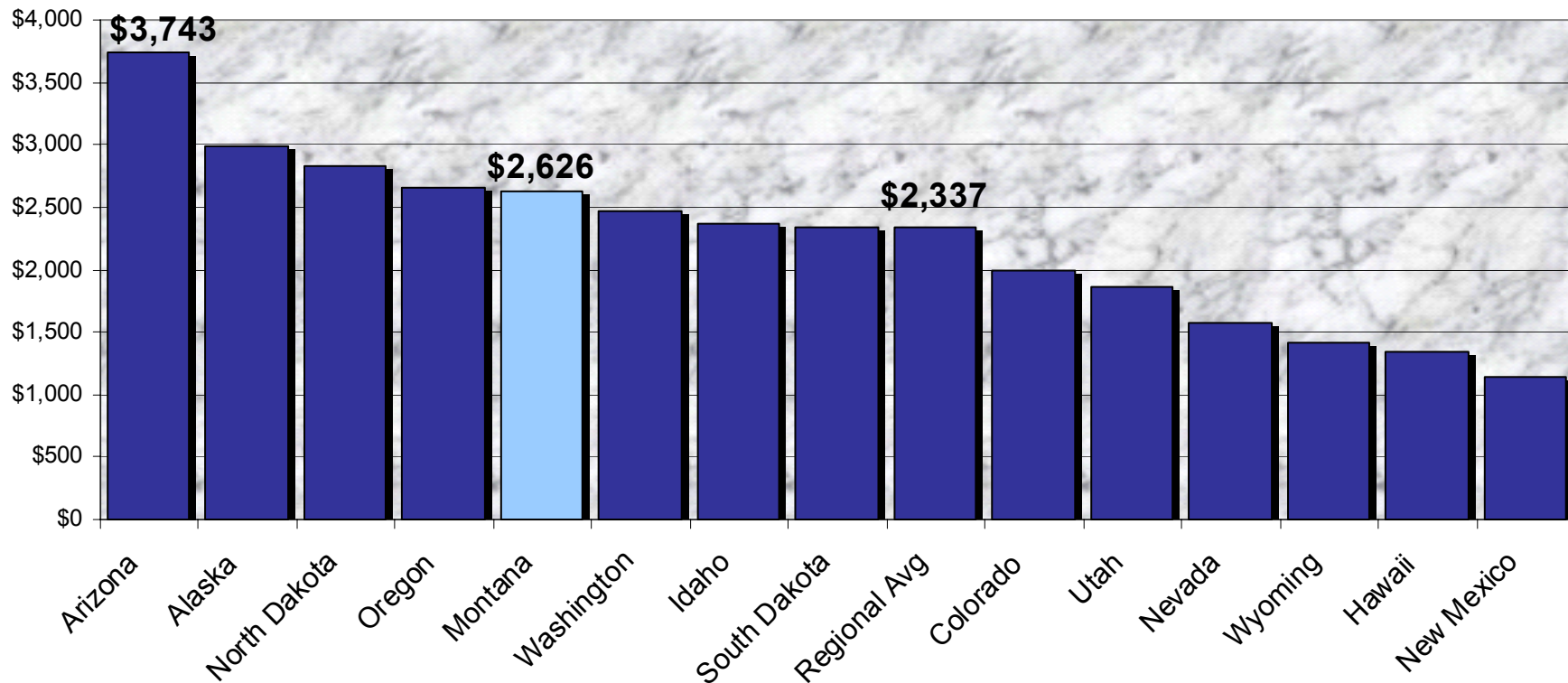


Emerging Issues & Trends

Tuition at 2-year Institutions is Higher than Regional Avg.

Average Annual Tuition at Public, Two-year Institutions

In-state, Full-time Undergraduates -- 2006-07 Academic Year



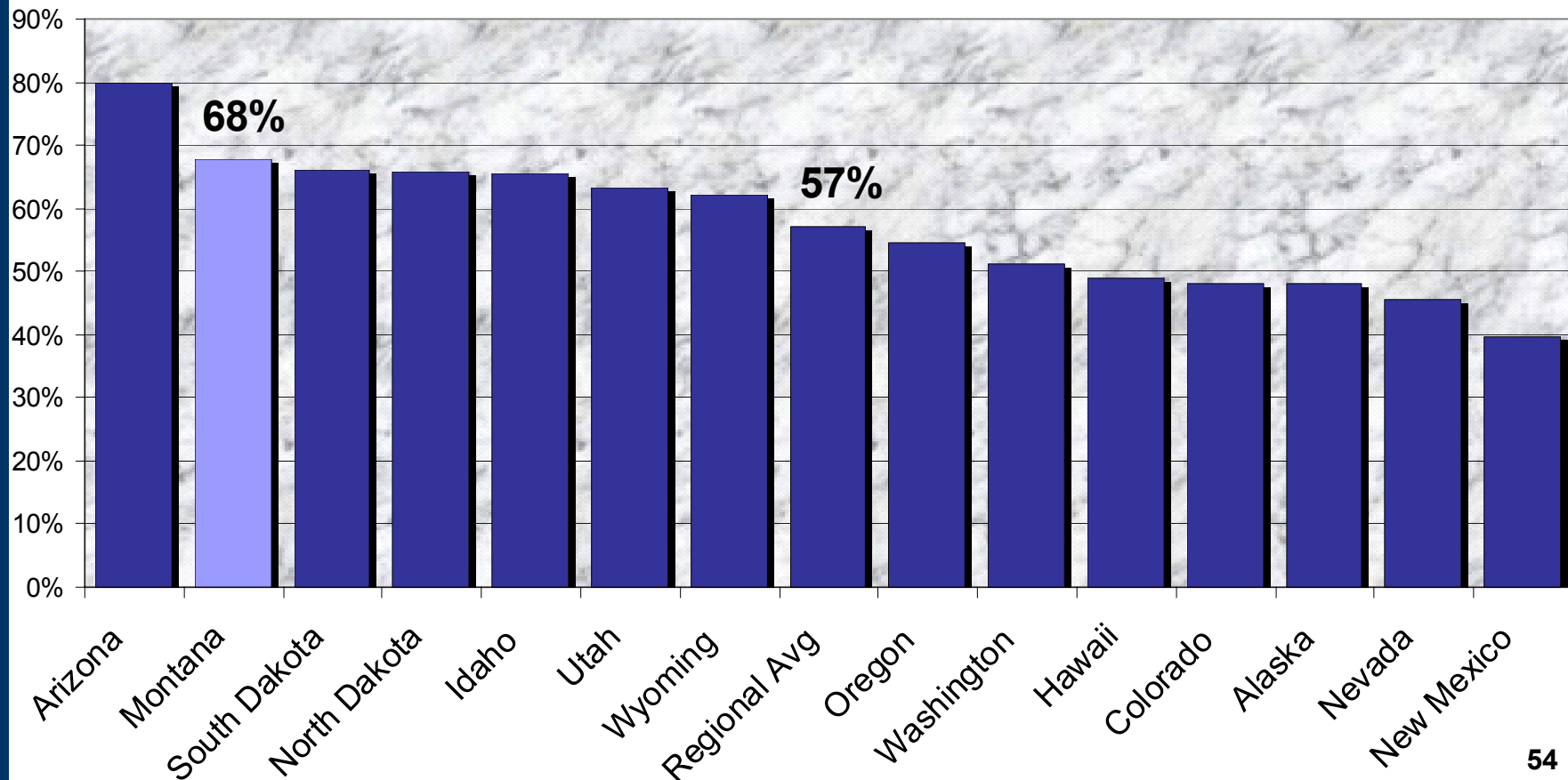


Emerging Issues & Trends

2-year Tuition is High Relative to 4-year Tuition in MT

2-year Tuition & Fees as a Percent of 4-year Tuition & Fees Average

Annual Resident Undergraduate Tuition & Fees, 2005-06





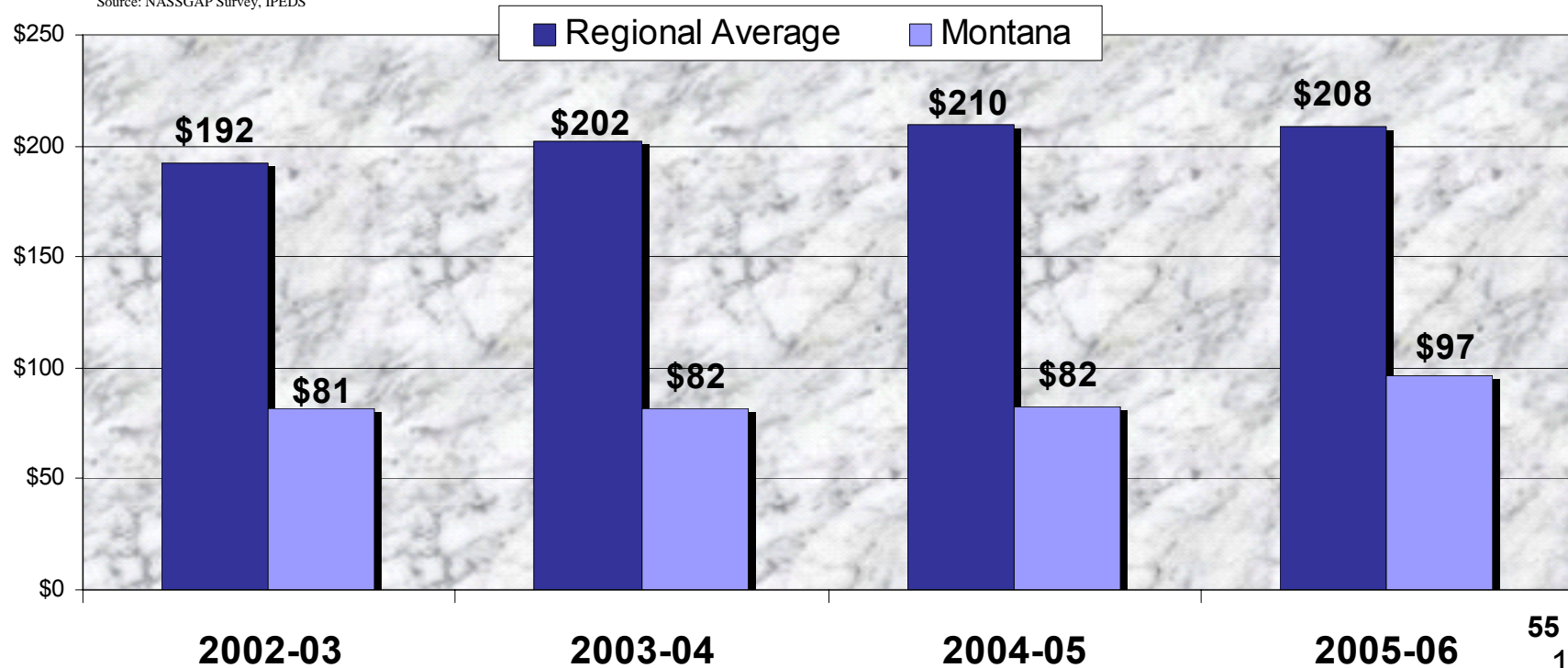
Emerging Issues & Trends

Financial Aid for Low Income Students is Limited

Even with recent increases to financial aid programs, Montana still lags behind the regional average.

State Funded Need-Based Aid per Student FTE
2002-03 through 2005-06

Source: NASSGAP Survey, IPEDS



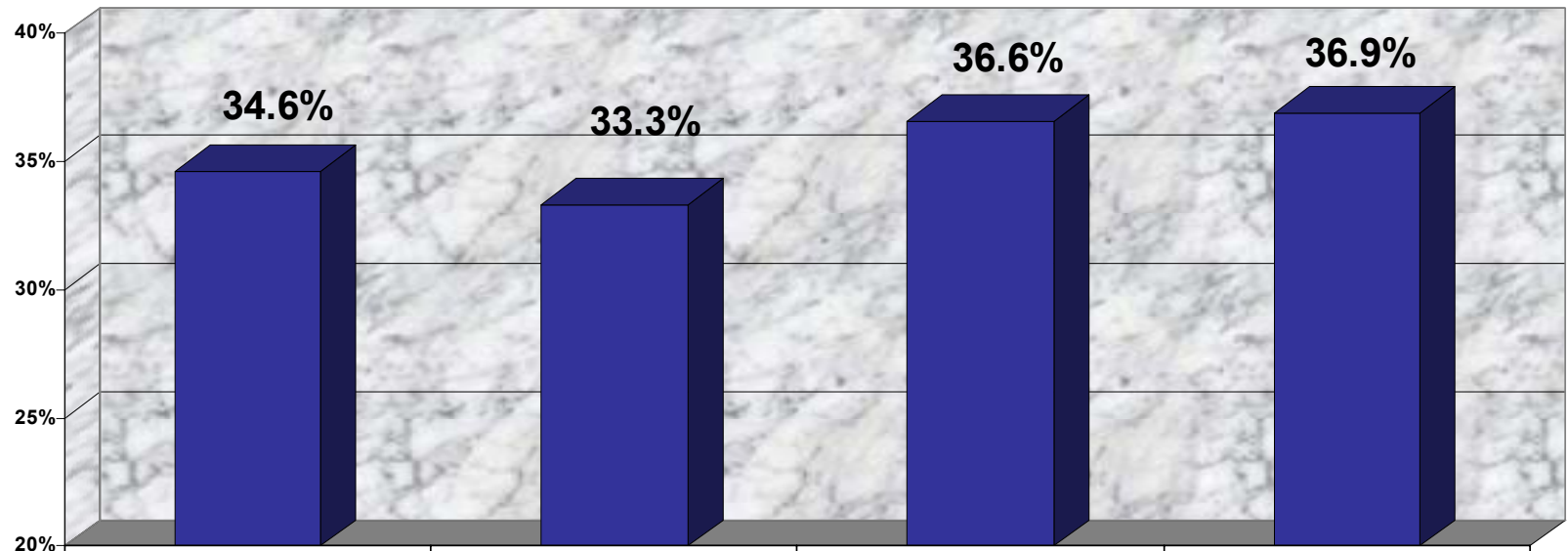


Emerging Issues & Trends

Over 1/3 of Recent MT Graduates Require Remediation

Remediation Rate (*def.*): percent of recent Montana high school graduates enrolling in remedial math or English in the fall semester immediately following graduation.

Remediation Rate of Recent MT High School Graduates
(in 1st semester of college immediately following graduation)



**2002-03 Grads
Enrolling Fall 03**

**2003-04 Grads
Enrolling Fall 04**

**2004-05 Grads
Enrolling Fall 05**

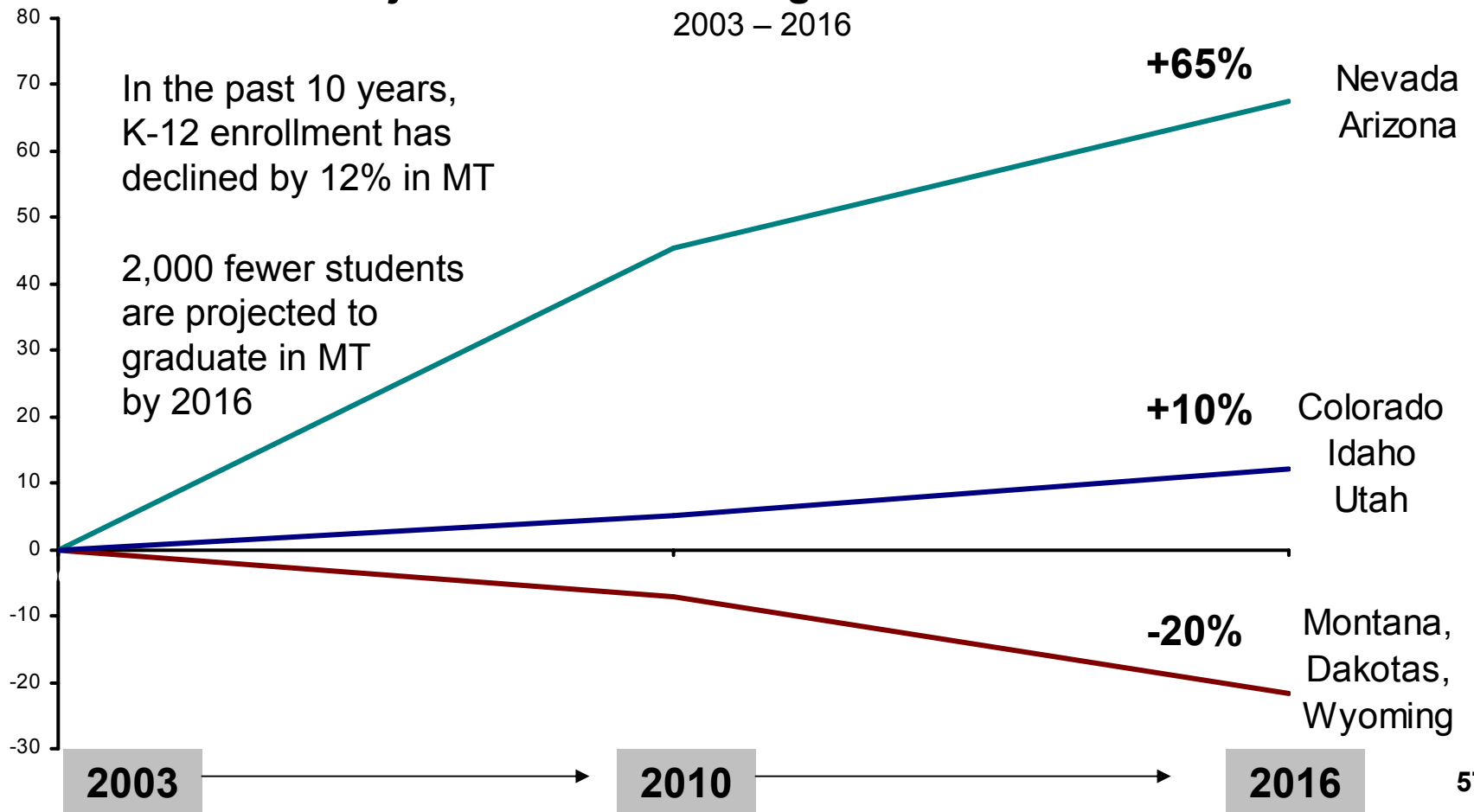
**2005-06 Grads
Enrolling Fall 06**



Emerging Issues & Trends

Declining Number of High School Graduates

Projections of Public High School Graduates
2003 – 2016



back

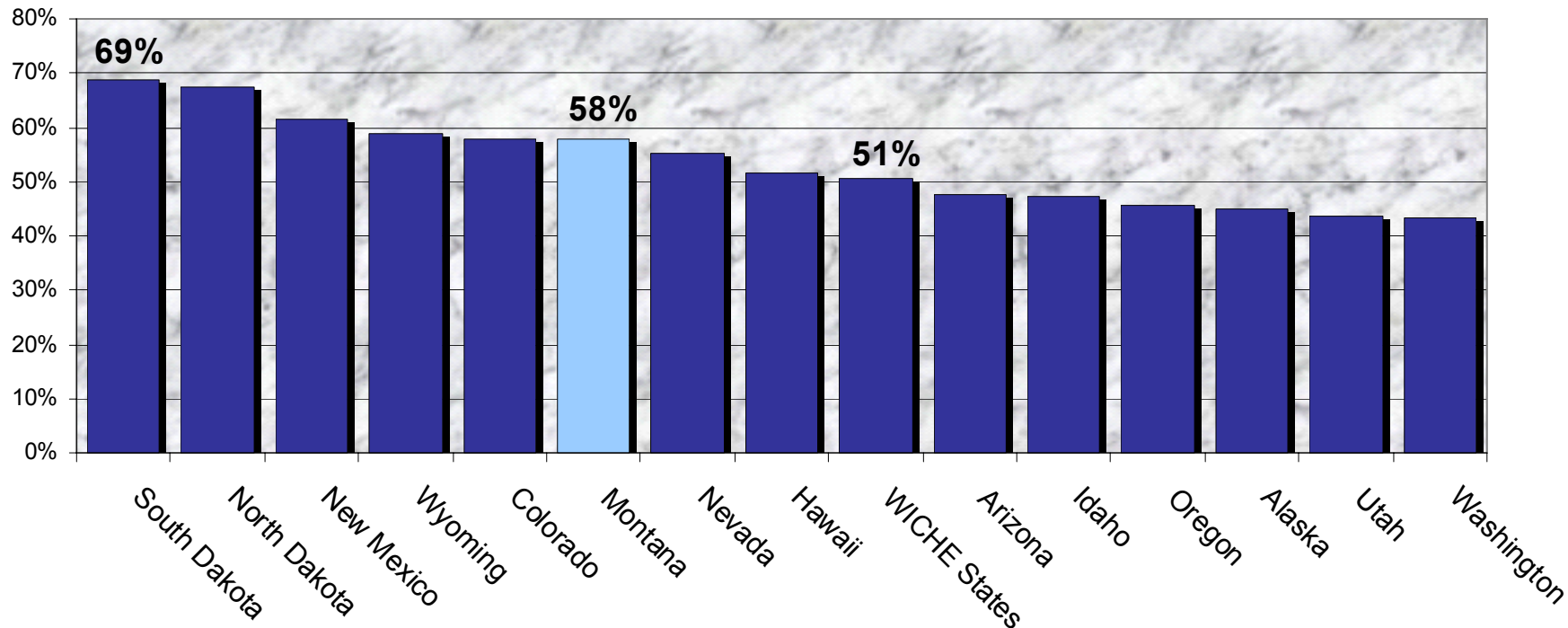


Emerging Issues & Trends

College Continuation Rates are Above Regional Average

College Continuation Rate, Fall 2004

Percent of high school graduates enrolled as 1st-time, degree-seeking college students in the fall semester immediately following graduation



On average, 35% of recent high school graduates enter the MUS, 5% enroll in tribal or private colleges in Montana, while 15% choose to enroll out-of-state.



Emerging Issues & Trends

College Continuation Rates Must Improve

College Continuation Rates

Percent of high school graduates enrolled as 1st-time, degree-seeking college students in the fall semester immediately following graduation

	2004	2010	2016
# of MT High School Graduates (public & private)	11,147	10,077	8,823
College Continuation To:			
Montana University System	37%	43%	52%
MT Tribal & Private	5%	5%	5%
Out-of-State	15%	15%	15%
Total % Enrolling	57%	63%	72%
# Continuing to College	6,360	6,349	6,353 ₅₉

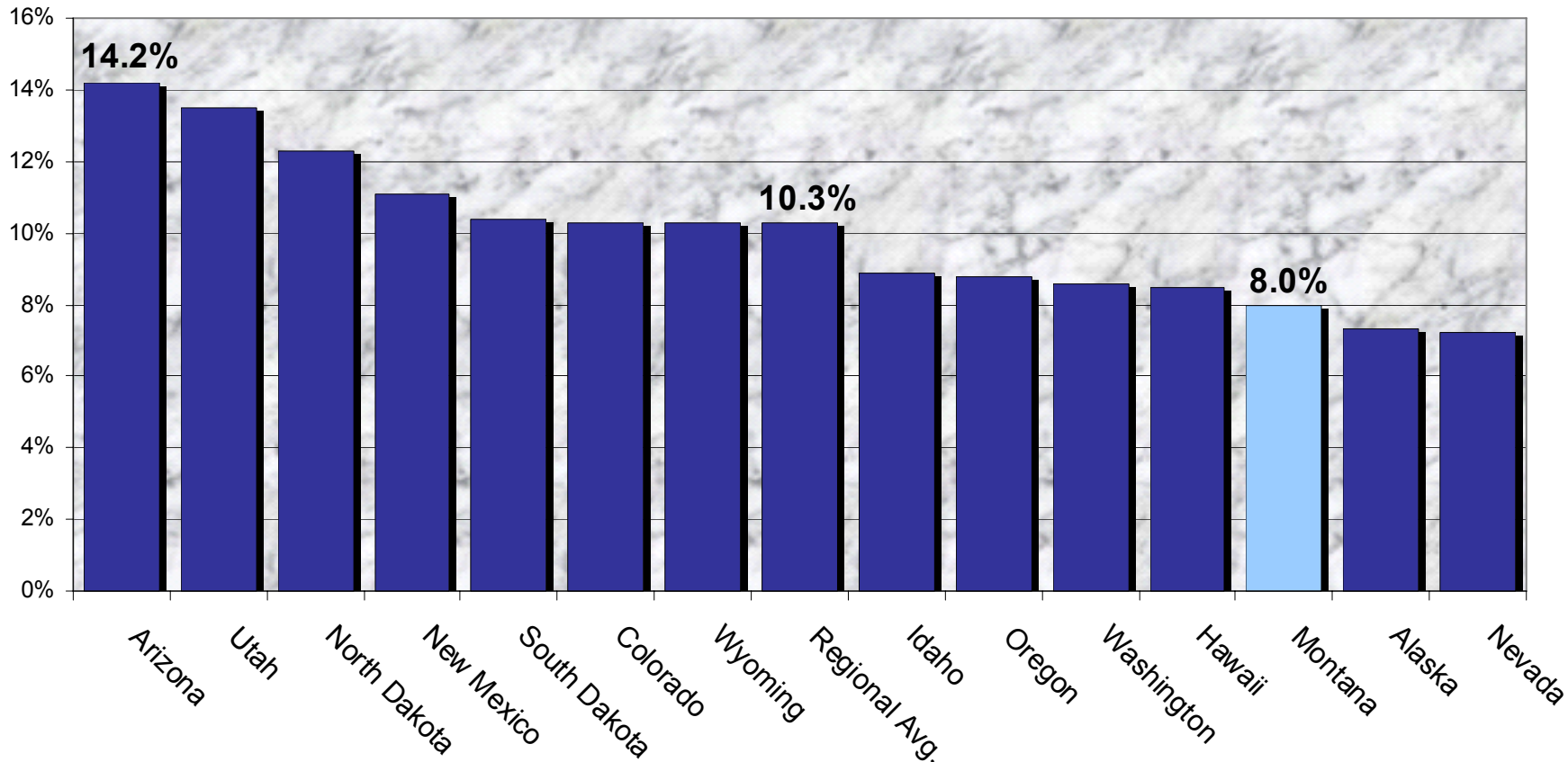


Emerging Issues & Trends

Overall, College Participation Rates in Montana are Low

Percent of Total Population Enrolled in College, 2004

18 to 64 year olds





Emerging Issues & Trends

Enhancing & Coordinating Distance Learning

www.mus.edu/on-line

mus.edu
Montana University System

"ONE WEB SITE, ELEVEN CAMPUSES"

[Distance Learning Opportunities](#) | [General Education Core](#) | [Tuition and Fees](#) | [Glossary of Terms](#) | [FAQs](#) | [HOME](#)

Welcome

It's great to have you stop at our newest web site concentrating on distance learning opportunities across the State of Montana, offered both from our Montana University System as well as from members of our state's fine community colleges.

To your left, you may choose to view the general education courses available in the current semester at any of these institutions of higher learning, as well as taking the opportunity to select from any of the general education Core Areas. Once you find the course or courses you're interested in pursuing, just click on the [\[More Info\]](#) button to be taken to a detail page directing you to the institution for further investigation and registration.

We also have more information about [Distance Learning Opportunities](#) as well as the [General Education Core](#).

We hope you enjoy our ongoing effort to serve a unique segment of learners state- and nationwide!

Courses Available at:

Select a Campus

Quick Search

Program Core Area

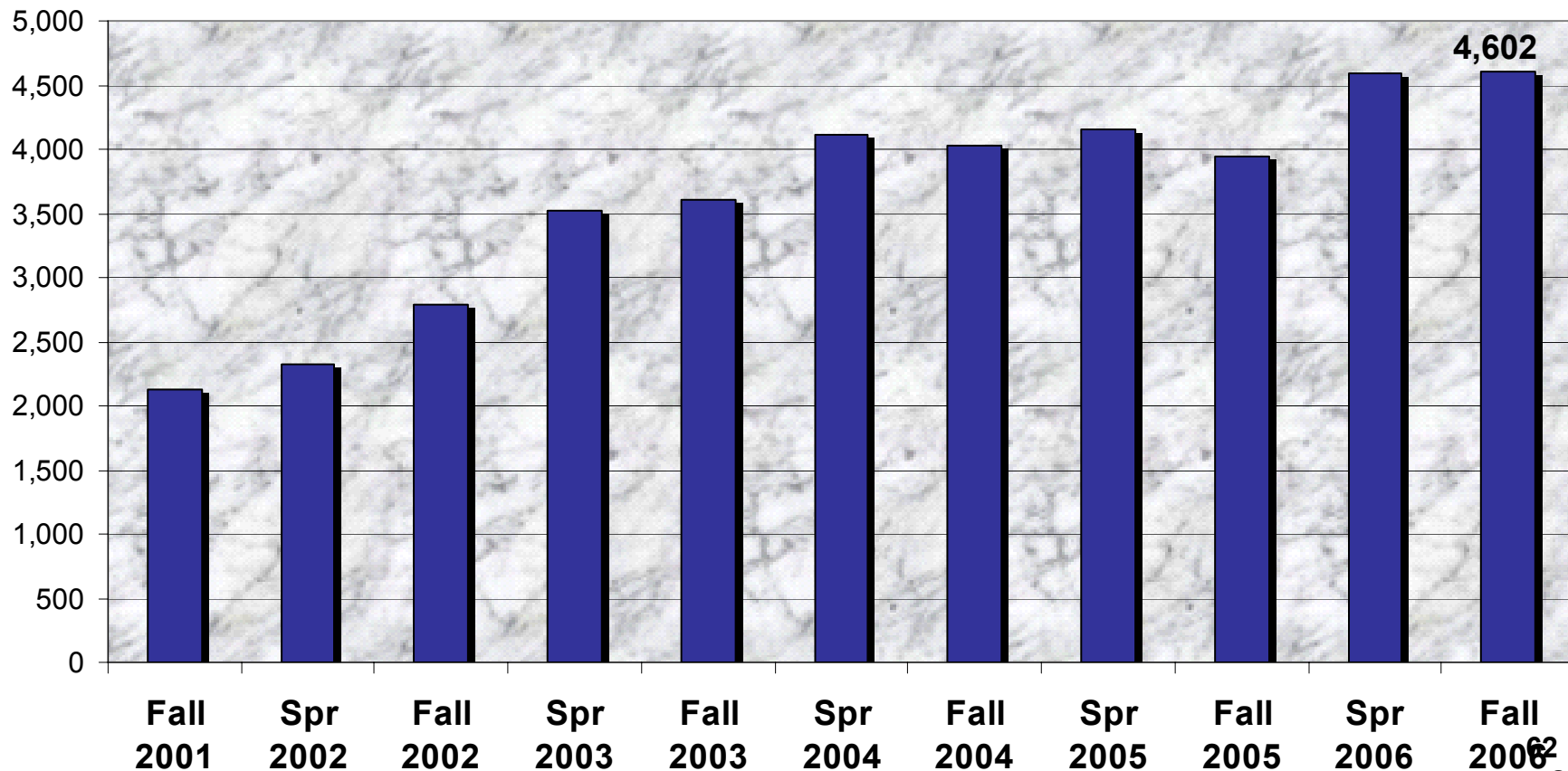
[Web site problems?](#)
[Contact us](#)



Emerging Issues & Trends

Enrollment in Distance Education is Increasing

MUS Distance Education Enrollment
Unduplicated Headcount, Fall 2001 – Fall 2006



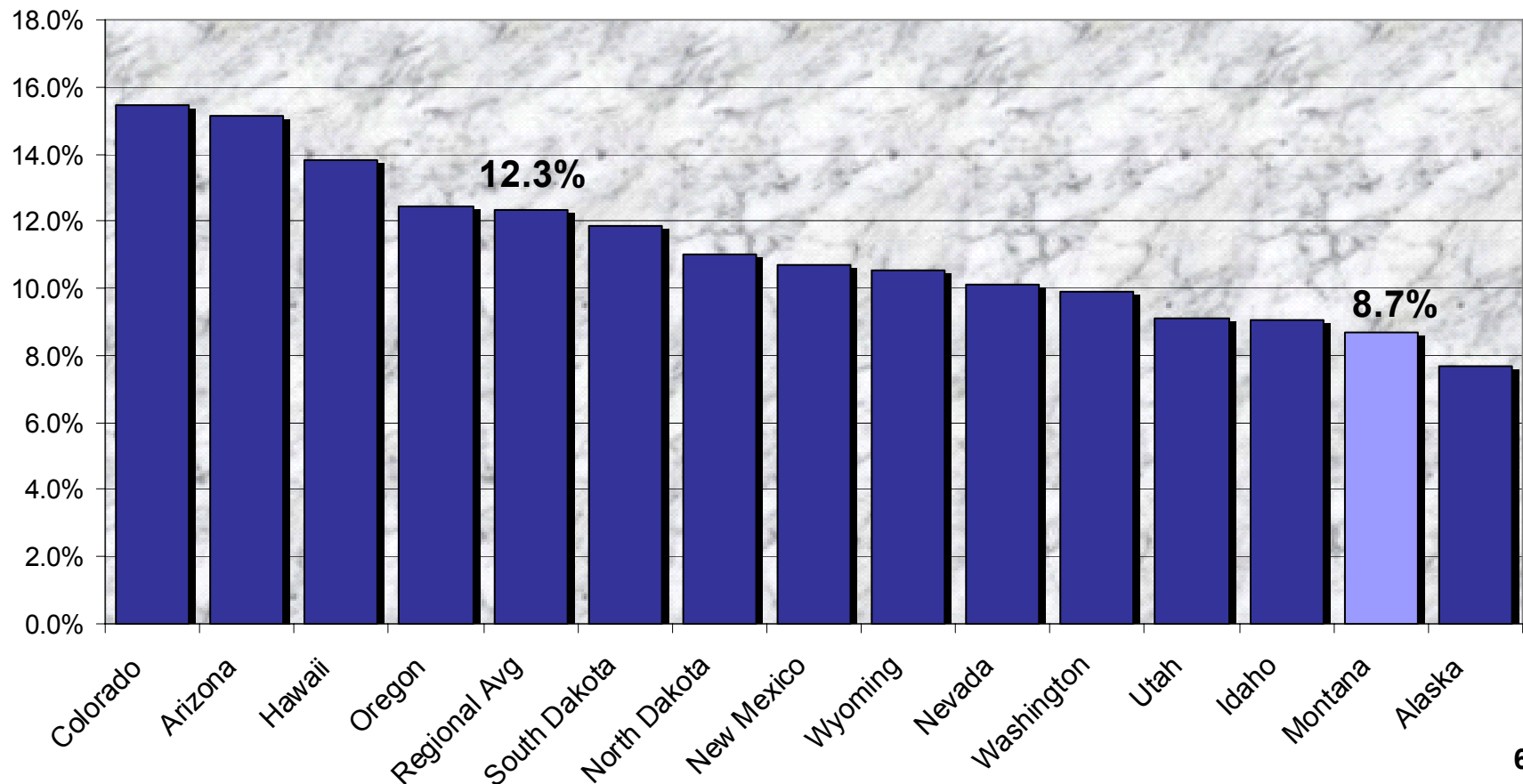


Emerging Issues & Trends

Enrollment in Graduate Programs Lags Behind Peers

Percent of Higher Education Enrollment in Graduate Programs

Unduplicated Headcount at Public & Private Institutions, Fall 2006



[back](#)

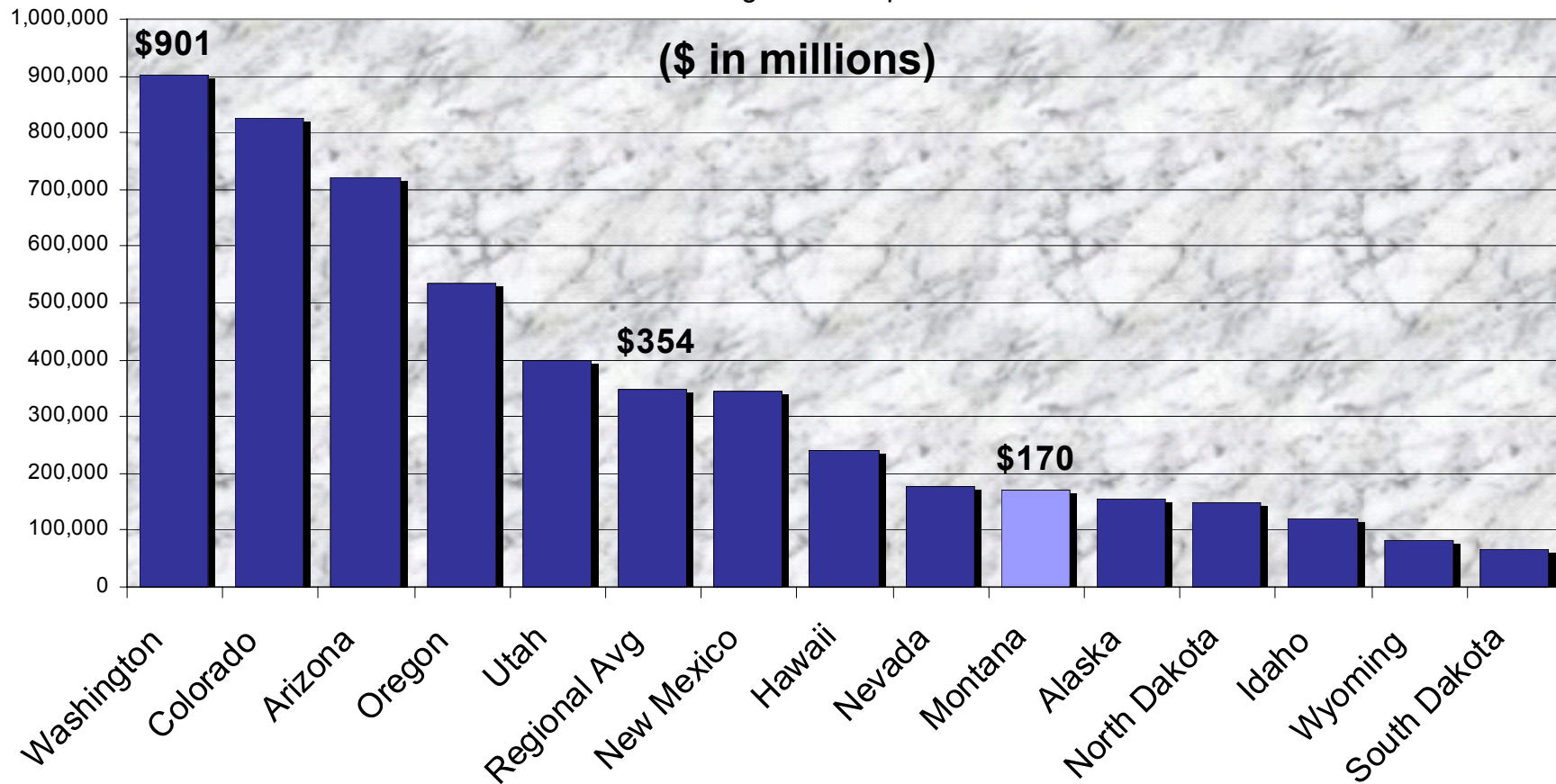


Emerging Issues & Trends

R&D Expenditures are Below the Regional Average

Research & Development Expenditures

FY 2005 Regional Comparisons



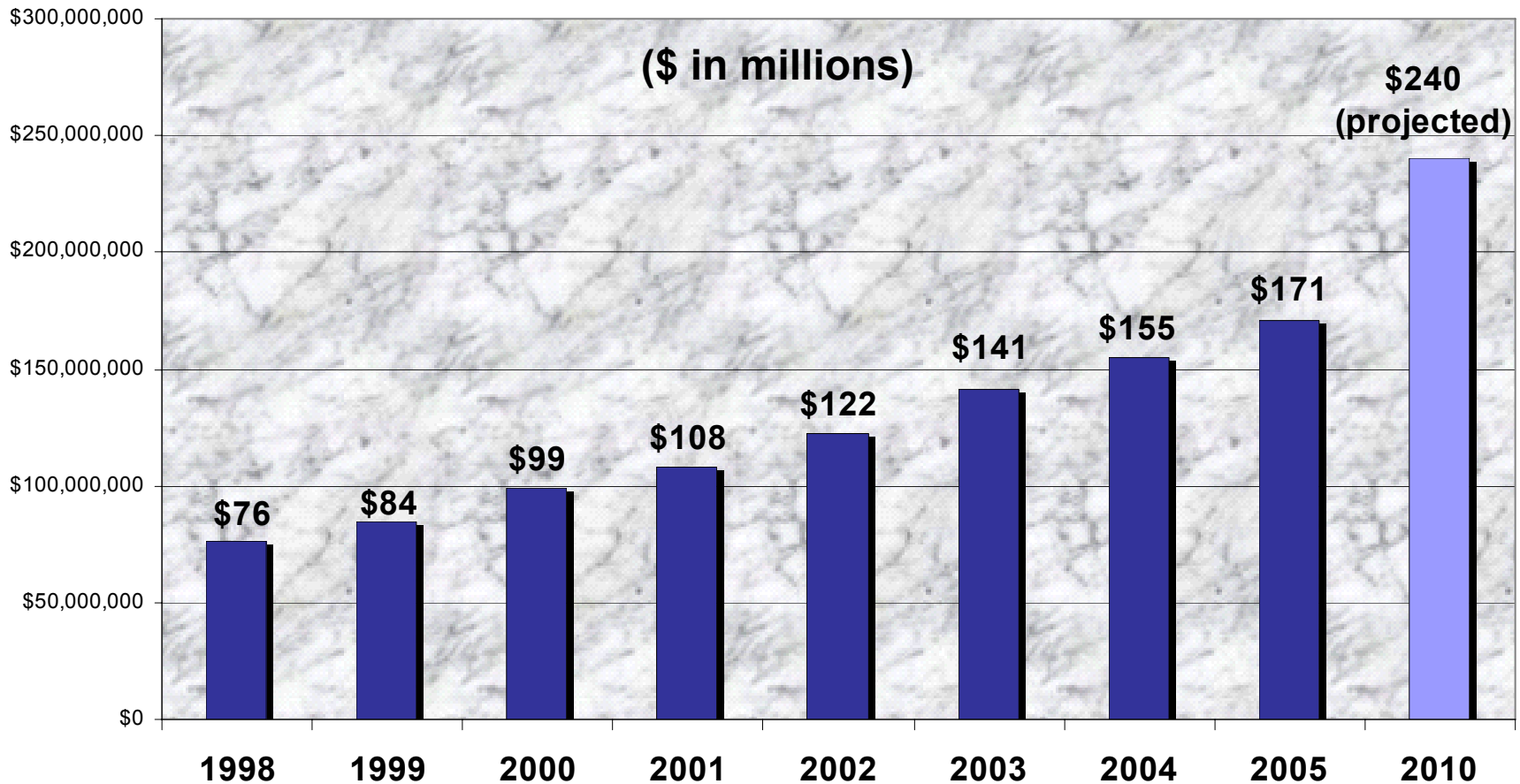


Emerging Issues & Trends

Research & Development is Growing

MUS Research & Development Expenditures

FY 1998 - FY 2005 Actual, FY 2010 Projected



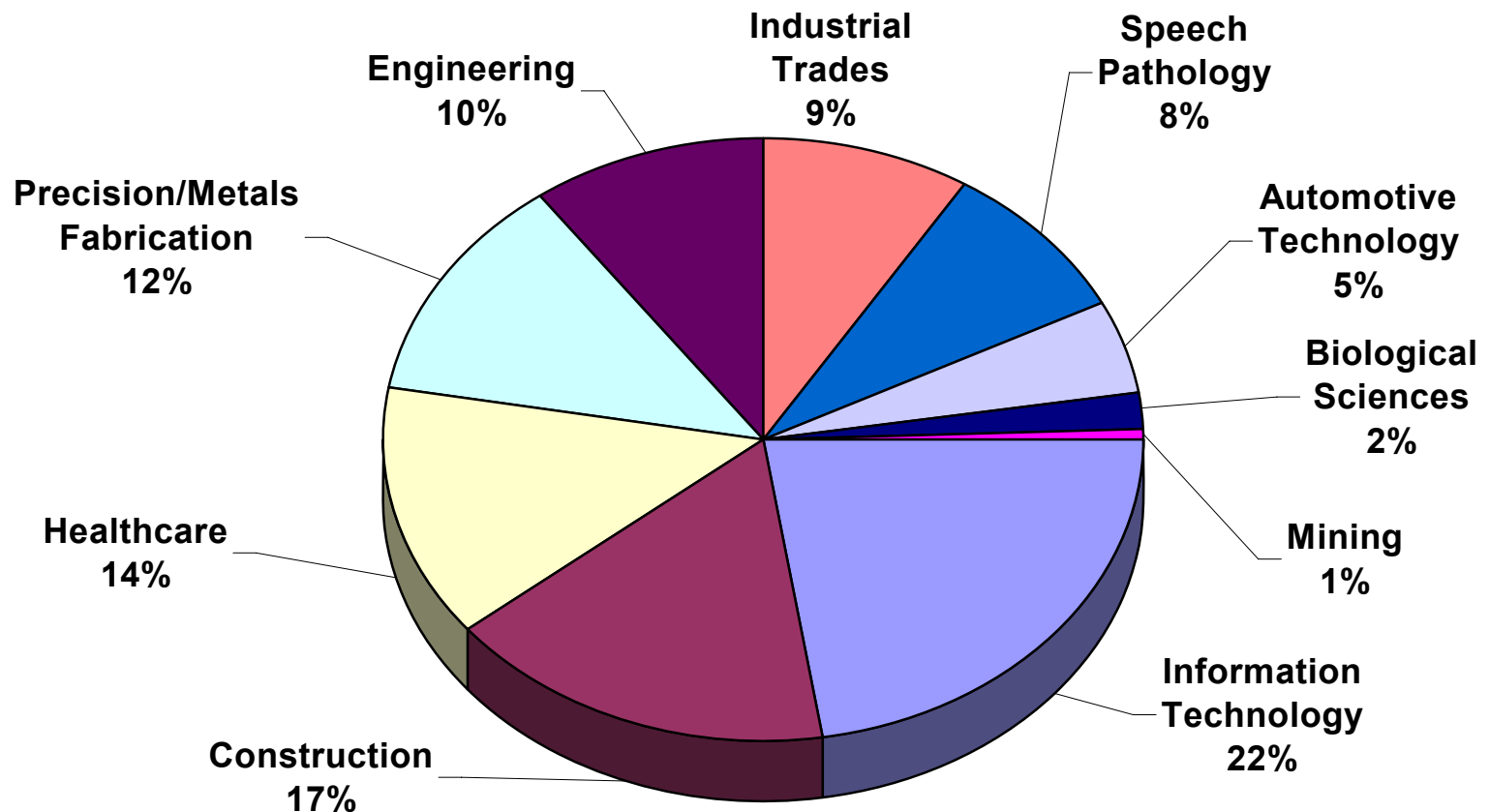


Emerging Issues & Trends

Equipment and Technology in High Demand Fields

\$4 million appropriated to the MUS by the 2007 Legislature, over \$5 million matched with non-state sources

Distribution of Funds by Industry/Field of Study



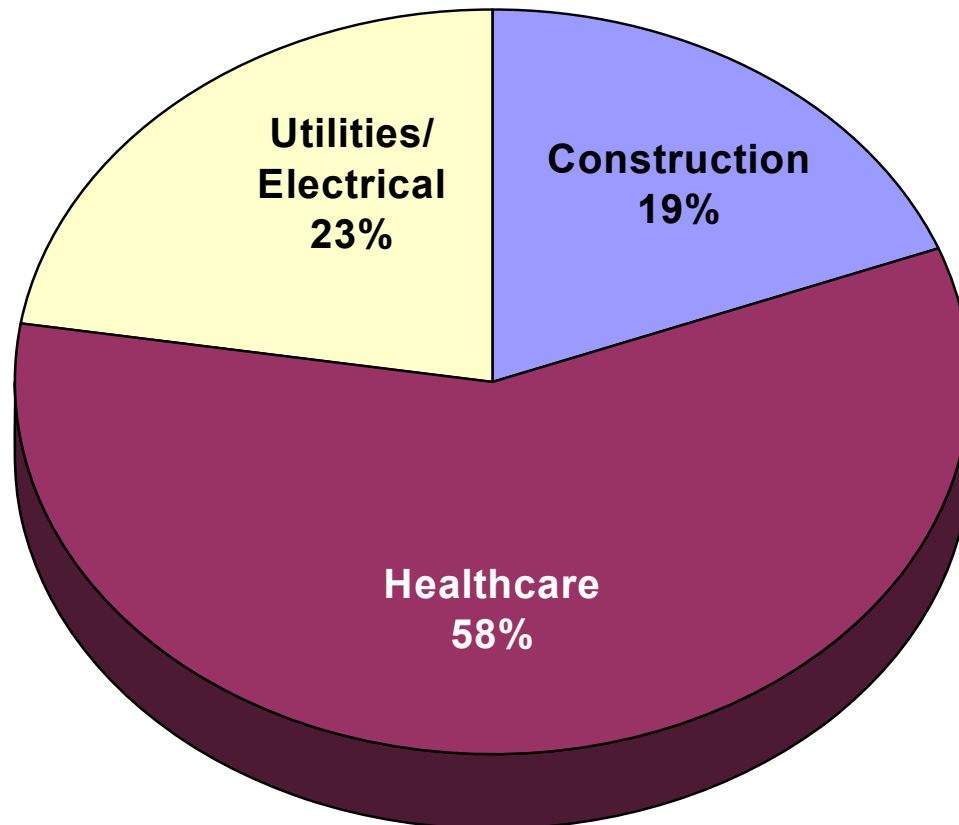


Emerging Issues & Trends

Workforce Training in High Demand Fields

**\$1.5 million appropriated to the MUS by the 2007 Legislature,
\$1.4 million matched with non-state sources**

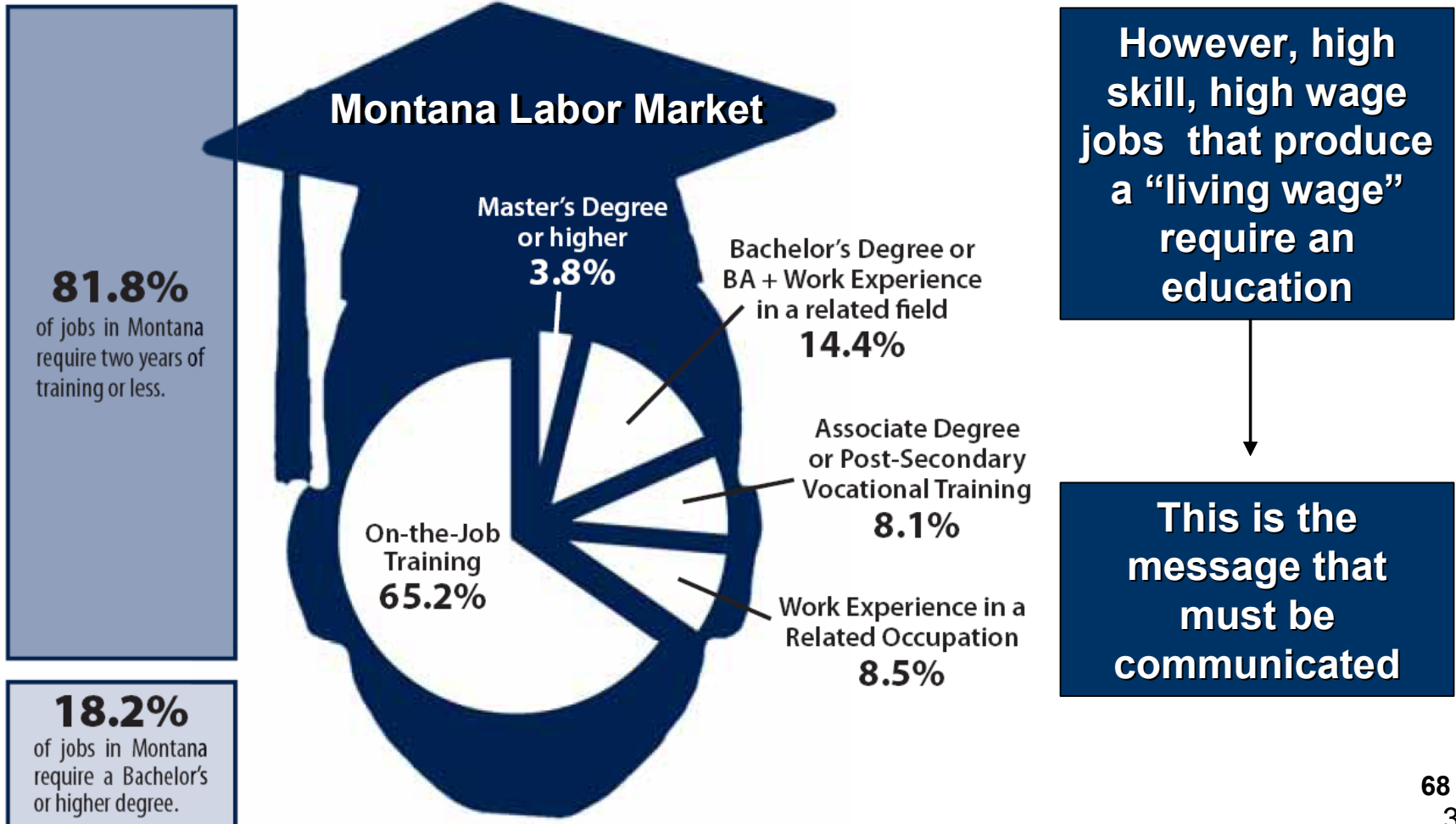
Distribution of Funds by Industry/Field of Study





Emerging Issues & Trends

Most Existing Jobs Don't Require a Higher Education



[back](#)

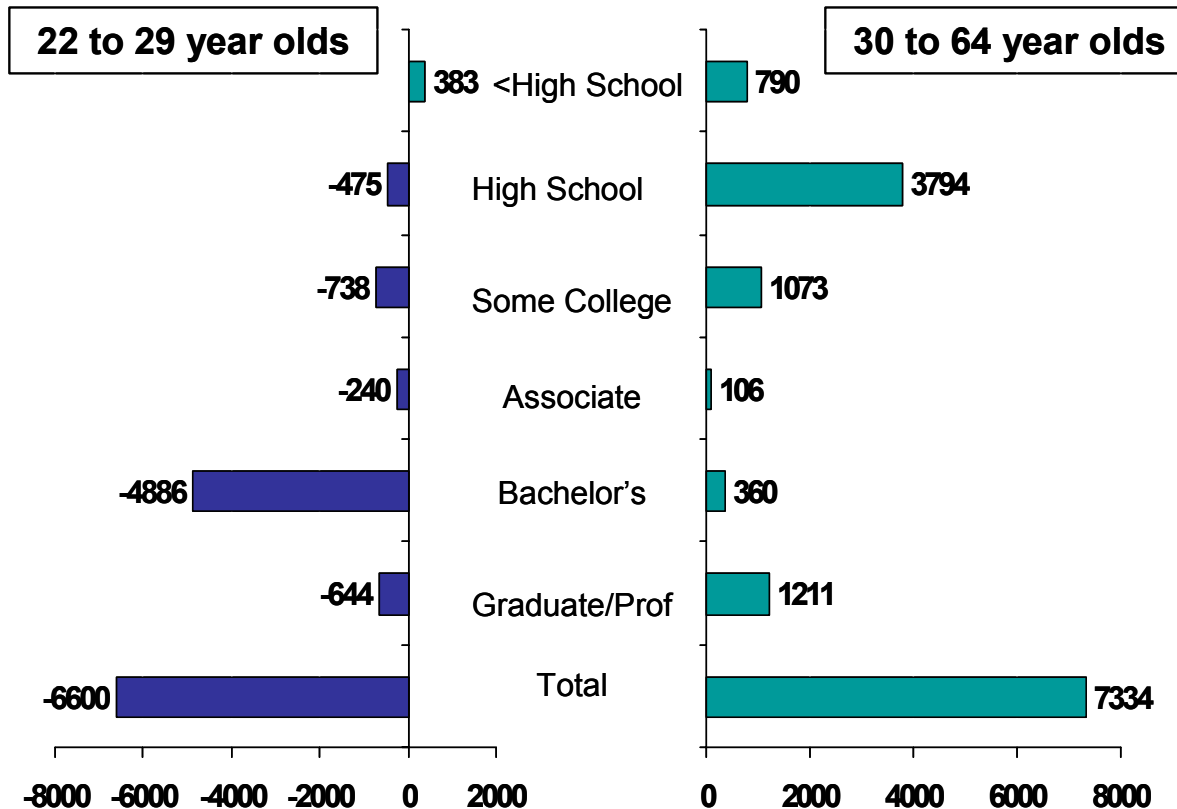


Emerging Issues & Trends

Need for Better Data Connecting Graduates to Workforce

MONTANA

Net In-migration by Degree Level & Age Group, 2000



Recent Census Survey
indicates that this trend may have reversed

(Am. Comm. Survey 2005)



Clear need for better information linking Montana graduates to the workforce



Emerging Issues & Trends

Data Connection -- MUS & MT Dept. of Labor

MUS Healthcare Graduate Employment by County

2003 & 2004 MUS Healthcare Graduates Employed in 2005

Degree/ Certificates	# of MUS Graduates (2003 & 2004) ¹	Employed in MT Labor Force in 2005 ²		Average Salary of Graduating Cohort
		Number	Percent	
Registered Nurse	519	365	70%	\$41,211
Practical Nurse	244	171	70%	\$26,870
Pharmacy	143	49	34%	\$83,289
Physical Therapy	42	19	45%	\$40,024
Respiratory Therapist	37	21	57%	\$35,725
Surgical Technology	33	24	73%	\$28,537
Health Administration	28	21	75%	\$43,534
Dental Assistant	27	21	78%	\$16,588
Health Information Tech	25	18	72%	\$21,726
Rehabilitation Counselor	23	11	48%	\$28,437
Total # of Graduates	1284	804	63%	\$37,580

1) 2003 & 2004 academic years represent students from: Fall 2002, Spr. 2003, Sum. 2003, Fall 2003, Spr. 2004, & Sum. 2004

2) indicates wage record found in MT Unemployment Insurance Wage database in all four quarters of 2005



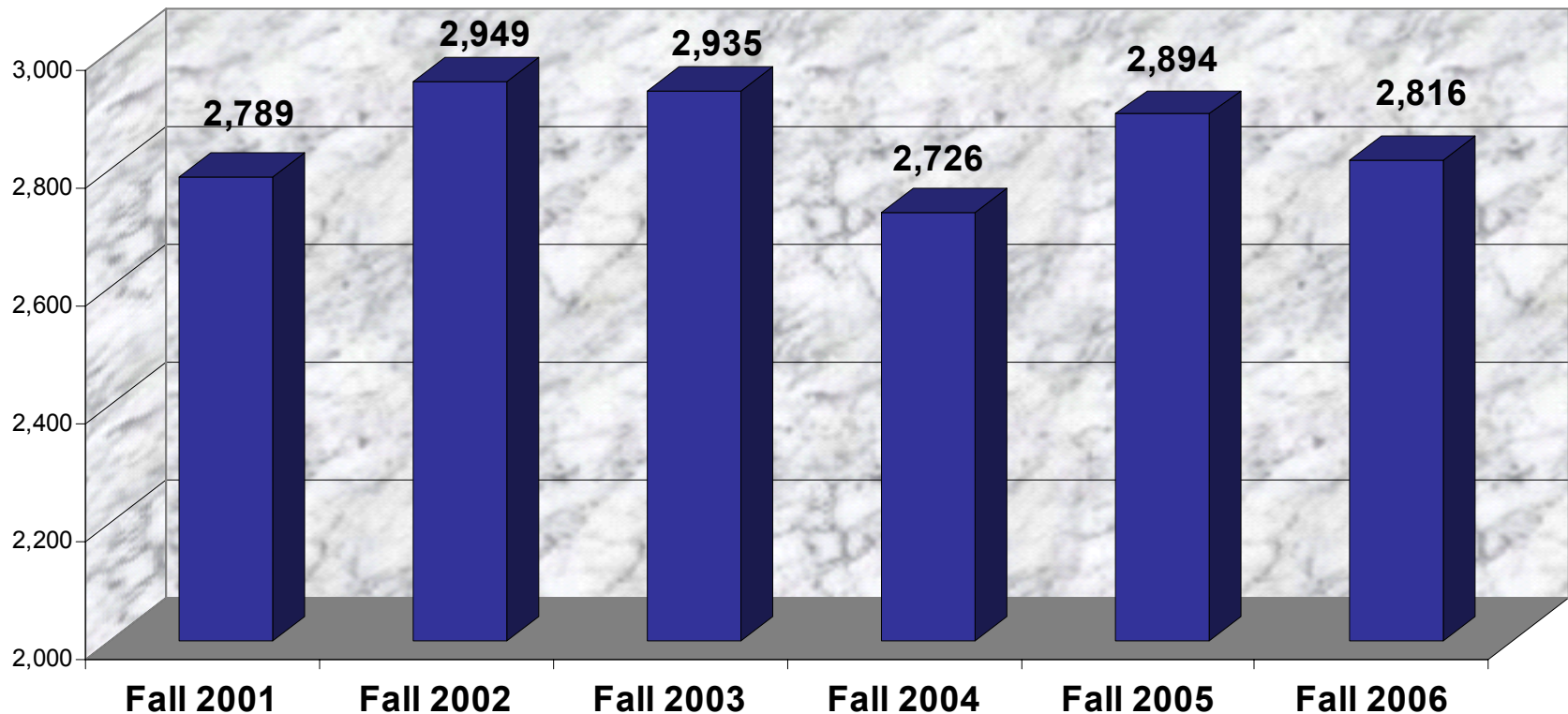
Emerging Issues & Trends

Students Often Move Between Institutions in the MUS

New Transfer Student Enrollment

Fall 2001 thru Fall 2006

source: MUS Data Warehouse
(does not include comm. colleges)



Between 7% to 8% of the students enrolled in the MUS each fall semester are recent transfer students.

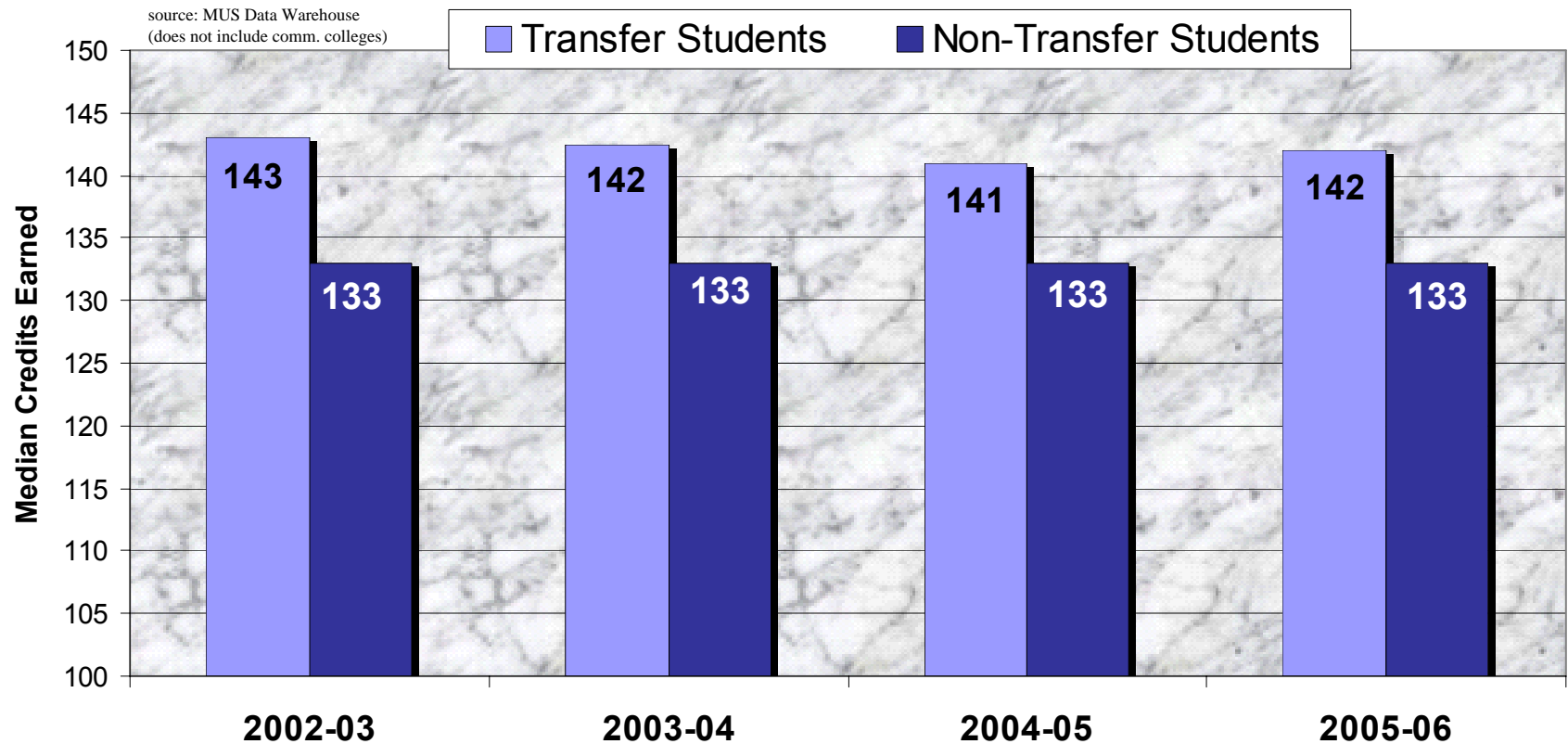


Emerging Issues & Trends

Continuing to Improve Transferability is a Priority

Total Credits Earned by Transfer vs. Non-Transfer Students

Bachelor's Degree Recipients, 2002-03 thru 2005-06



Transfer students must earn between 8 to 10 credits more in order to complete a bachelor's degree in the MUS.



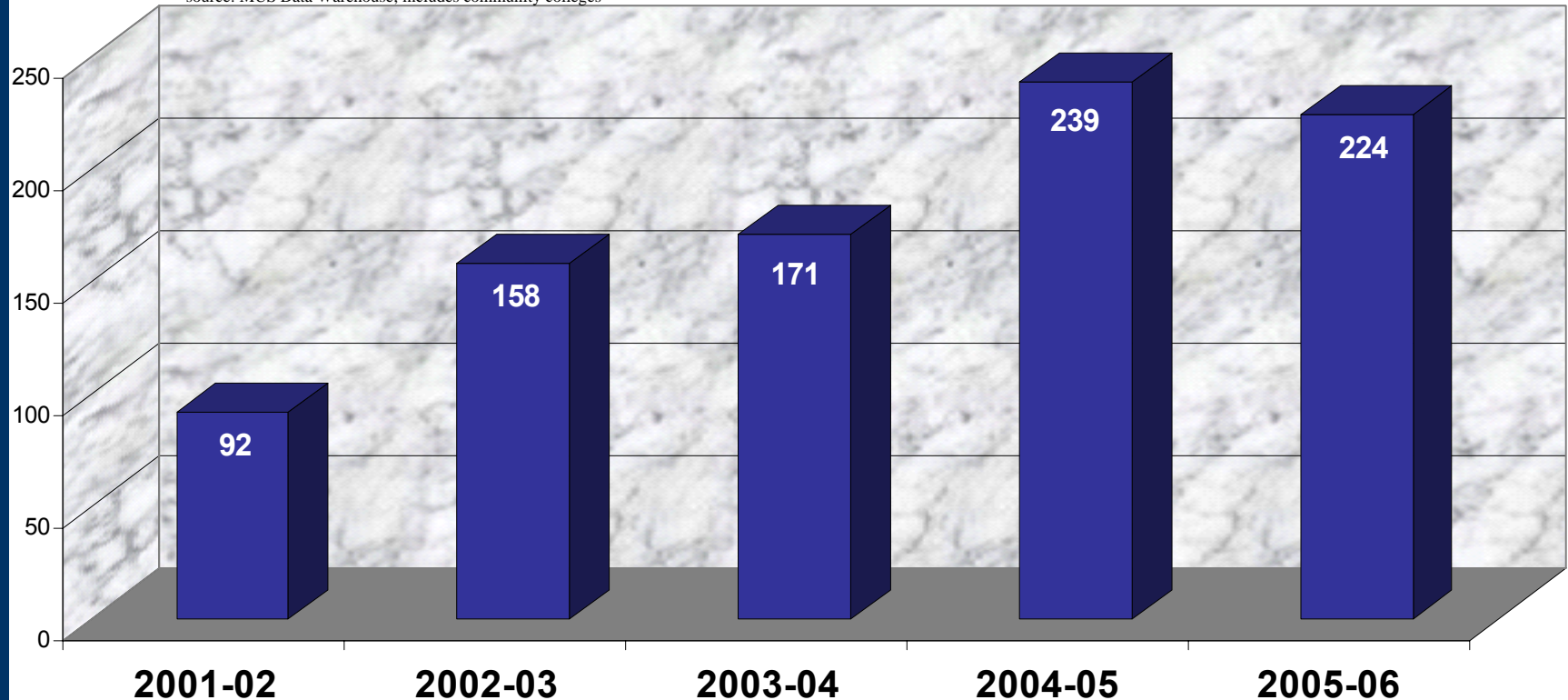
Emerging Issues & Trends

A 2-year Education Can Lead to a 4-year Degree

2-year Transition and Graduation

MUS bachelor's degree recipients that had once enrolled at a MUS "stand alone" 2-year Institution

source: MUS Data Warehouse; includes community colleges



In 2005-06, less than 5% of MUS baccalaureate degree recipients had once enrolled at 2-year "stand alone" institution.

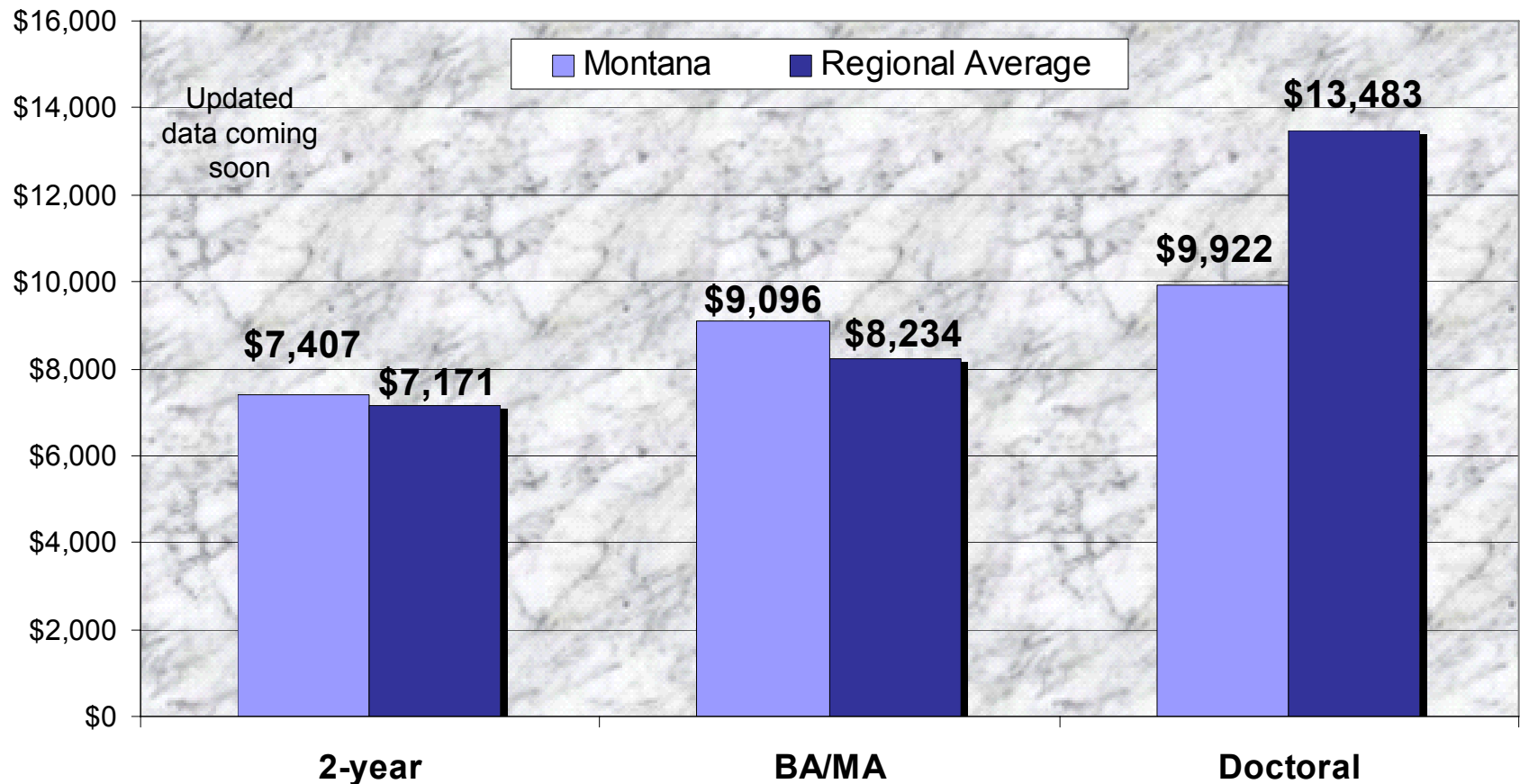


Emerging Issues & Trends

Funding Levels Vary by Type of Institution

Total Revenue per FTE by Institution Type

FY05, Public Institutions



back

Note: total Revenue = tuition & fees, state appropriations, and local appropriations; 2-year includes MT community colleges
 source: NCES IPEDS



2011 Budget Planning

❖ Base Funding

- Present Law (85%/15%)
- Pay Plan (85%/15%)

❖ Affordability

- State Share
- Tuition Management
- Need-based Aid



2011 Budget Planning (cont.)

❖ MUS Initiatives

- Campus Focused
 - Funding Target = approximately \$15 million total (primarily campus-based) including the community colleges
 - Quality over Quantity
- Tentative Timeline
 - December 3, 2007 – first draft submissions to OCHE
 - January 2008 – initial discussion and presentation to Board of Regents
 - March 2008 – Board review and revisions
 - May 2008 – Approval of Initiatives
- Criteria
 - Reinforce Strategic Directions
 - Support Collaboration
 - Leverage Non-state Funds



Montana University System

UNIVERSITY OF MONTANA

Missoula
MT Tech
Helena
Western

MONTANA STATE UNIVERSITY

Bozeman
Billings
Great Falls
Northern

COMMUNITY COLLEGES

Dawson
Flathead Valley
Miles

Strategic Directions

Investing in Montana's Competitive Future

www.mus.edu

ADMINISTRATIVE, BUDGET AND AUDIT OVERSIGHT
Montana State University-Billings
Ballroom, Student Union Building
Wednesday, September 19, 2007
12:30 – 4:00 PM

12:30 PM Roll Call and Review of Minutes

ACTION

- 12:35 PM
- a. Office Building Lease for Grant Funded Programs; MSU-Bozeman [ITEM 136-2001-R0907 Agreement](#)
 - b. Short Term Loans for Continuation of Multi-Year IT Infrastructure Replacement Plan; MSU-Bozeman. [ITEM 136-2003-R0907 Attachment](#)
 - c. Campus Parking Permit System; UM-Helena. [ITEM 136-1901-R0907 Policy](#)
 - d. College Savings Bank InvestorSure CD. [ITEM 136-102-R0907 PowerPoint Presentation](#)
 - e. Governor's Postsecondary Scholarship Program, Policy 501.3. [ITEM 136-101-R0907 Policy](#)
 - f. Annual Tuition and Fees for eLearning, Policy 940.20. [ITEM 136-119-R0907 Policy](#)
 - g. Exchange of Lots Adjacent to the North Campus; Montana Tech-UM. [ITEM 136-1502-R0907 Attachment](#)

INFORMATION

- 1:30 PM
- a. Audit Reports.
 - b. Montana University Research and Education Network. [Report](#)
 - c. [Response](#) to Report from Agriculture Review Panel; MSU-Bozeman – President Gamble, MSU.
 - d. FYE 2007 Negative Fund Balances [Report](#) – Frieda Houser, OCHE.
 - e. FYE 2007 Outstanding Debt [Report](#) – Frieda Houser, OCHE.
 - f. South Campus Master Plan; UM-Missoula – President Dennison, UM.
 - g. Campus Peer Comparative Information.

CONSENT

- 3:30 PM
- 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 Attachment](#)

3:45 PM Public Comment

4:00 PM ADJOURN

ITEM 136-2001-R0907 Lease Agreement

**UNIVERSITY WAY BUILDING
OFFICE BUILDING LEASE**

TABLE OF CONTENTS

1. Basic Lease Terms	1
2. Premises.	2
3. Term	3
4. Delay in Possession.	4
5. Rent	4
6. Operating Costs	5
7. Utilities and Services.	6
8. Care of Premises	7
9. Assignment and Subletting	9
10. Damage or Destruction	12
11. Indemnification	13
12. Damage to Tenant's Property	14
13. Tenant's Insurance	14
14. Eminent Domain	15
15. Bankruptcy	16
16. Default and Remedies	16
17. Subordination, Quiet Enjoyment	19
18. Estoppel Certificates	20
19. Attorney's Fees	20
20. Notices.	21
21. Holding Over	21
22. Alterations	21
23. Prior Agreement, Amendments	23
24. Successors	23
25. Right to Perform	23
26. Force Majeure	23
27. Limitation on Liability	24
28. Modification by Lender	24
29. Miscellaneous	24
30. Hazardous Materials	27
31. Option to Extend	28
32. Riders	28
 Landlord's Acknowledgment.	 29
Tenant's Acknowledgment	30
 Exhibit " A " - Floor Plan of Premises	
Exhibit "B" - Legal Description of Land and Building	
Exhibit "C" - Work Letter Agreement	
Exhibit "C-1" - Uniform Building Standard Specifications	
Exhibits "D" and "E" - Not Applicable to this Lease	
Exhibit "F" - Building Rules and Regulations	
Exhibit "G" - Construction Rules and Regulations	

**UNIVERSITY WAY BUILDING
OFFICE BUILDING LEASE**

THIS LEASE is made on the ____ day of _____, 200__, by and between University Way, LLC, hereinafter called "Landlord", and MONTANA STATE UNIVERSITY, hereinafter called "Tenant".

1. BASIC LEASE TERMS

A. Premises:

Building Name	University Way Building
Building Address	Bozeman, Montana 59715
Floors	Portions of Floors Two and Three
Suite	210 and 310
Premises Area (per subsection 2A)	
Rentable Square Feet	27,060
Total Building Area	
Rentable Square	69,177
Tenant's Percentage of Building/ Percentage of Complex	39.12%
Total Complex Area	69,177 rentable square feet.

B. Term of the Lease: (per Section 3)

Length	120 months
Commencing	Upon building's completion

C. Basic Rent: (per Section 5)

<u>Lease Months</u>	<u>Basic Rent</u>	<u>Per Rentable</u>	<u>Adjustments</u>
per month		Foot (Yearly)	(Subject to Section 5)

1 to 120

\$47,355

D. Tenant's Use of the Premises:

Office, classroom, lab, storage

E. Landlord's Leasing Broker/Agent:

none

F. Addresses for Notices:

Landlord:	University Way, LLC
	Bozeman, Montana 59715

Tenant:

Office of Legal Counsel
Room 211, Montana Hall
Montana State University
Bozeman, Montana 59717

This Section 1 represents a summary of the basic terms of the Lease. In the event of any inconsistency between the terms contained in Section I and any specific clause of the Lease, the terms of the more specific clause shall prevail.

2. PREMISES

A. Premises. Landlord hereby leases to Tenant and Tenant leases from Landlord, those certain premises described in subsection I.A. and in **Exhibit A** attached hereto (the "Premises"); provided, that the exact amount of Rentable Square Feet in the Premises shall be determined reasonably by the Landlord upon the completion of the build out of the Tenant Improvements in and to the Premises pursuant to the Work Letter Agreement attached hereto, if any, and, if no Tenant Improvements are to be constructed or installed pursuant to the terms of this Lease, then the exact of the Premises by Tenant. Until such determination of the exact number of Rentable Square Feet of space in the Premises as set forth above, the number of Rentable Square Feet of space shown in subsection I.A. shall control. Upon Landlord's determination of the number of Rentable Square Feet of space in the Premises, Landlord and Tenant shall, within ten (10) days of Landlord's request, execute a written confirmation of Rentable Square Feet. "Rentable Square Feet" as used in this Lease shall be determined in accordance with the 1996 Building Owner's and Manager's Association Standard Method for Measuring Floor Area in Office Buildings, Publication ANSI/BOMA 265.1-1996 ("1996 BOMA"). The Premises are contained within the building (the "Building") which is located at the address designated in subsection I.A. The Building is located on the real property (the "Land") described on **Exhibit B** attached hereto. Tenant's Percentage of the Building" shall equal a fraction whose numerator is the number of Rentable Square Feet within the Premises as set forth in subsection I.A. and whose denominator is the number of Rentable Square Feet within the Building as set forth in subsection I.A. as may be adjusted from time to time.

B. Acceptance of Premises. Neither Landlord nor its agents have made any representations with respect to the Premises or Building except as expressly set forth herein. No rights, easements, or licenses are acquired by implication or otherwise except as expressly set forth in the provisions of this Lease. Tenant accepts the Premises "as is", subject to Landlord's obligation to construct any Tenant Improvements described in **Exhibit C**. The taking of possession of the Premises by Tenant shall be conclusive evidence that the Premises and the Building were in good condition and suitable for Tenant's intended use at the time possession was taken.

C. Common Areas. Tenant shall have the non-exclusive right to use, in common with other tenants in the Building, the following areas ("Common Areas") appurtenant to the Premises:

- (1) The Building's common entrances, lobbies, restrooms, elevators, stairways and access ways, loading docks, ramps, drives and platforms and any passageways and service ways thereto, and the common pipes, conduits, wires, and appurtenant equipment serving the Premises.
- (2) Loading and unloading areas, trash areas, parking areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas, and similar areas and facilities appurtenant to the Building.
- (3) Other areas within the Building that are not intended for lease and which are designated (which designation may be changed from time to time) by Landlord as Common Areas set aside for the common and joint use and benefit of the occupants of the Building.

Landlord reserves the right from time to time without unreasonable interference with Tenant's use:

- (4) To install, use, maintain, repair, and replace pipes, ducts, conduits, wires, and appurtenant meters and equipment for service to other parts of the Building above the ceiling surfaces, below the floor surfaces, within the walls, and in the central core areas; and to relocate any pipes, ducts, conduits, wires, and appurtenant meters and equipment included in the Premises which are located in the Premises or located elsewhere outside the Premises; and to expand the Building.
- (5) To make changes to the Common Areas, including without limitation changes in the location size, shape, and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, and walkways.
- (6) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available.
- (7) To designate other land outside the boundaries of the Building or Land to be a part of the Common Areas.
- (8) To add additional buildings and improvements to the Common Areas.
- (9) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Building, or any portion thereof.
- (10) To do and perform such other acts and make such other changes in, to, or with respect to the Common Areas or Building, as Landlord may, in the exercise of sound business judgment, deem to be appropriate.
- (11) To establish, modify, or change rules governing the move-in and move-out procedures of Tenant's furniture, equipment, and fixtures.

3. TERM

A. Term. The term of this Lease shall be for the period designated in Section 1 above (the "Term") unless the Term shall be sooner terminated as hereinafter provided. The Term, as well as the Tenant's obligation to pay Rent (as defined in Section 5 below), shall commence upon the date (the "Commencement Date") which is the earlier of

- (1) substantial completion (as defined in Exhibit C) of the Tenant Improvements

described in the Work Letter Agreement and the tender of possession of the Premises to Tenant, or

(2) the date that Tenant opened for business in the Premises.

If the Commencement Date does not occur on the last day of the month, Tenant shall pay rent for the fractional month on a per diem basis (calculated on the basis of a thirty (30) day month) until the last day of the following month.

4. DELAY IN POSSESSION

If Landlord is unable to deliver possession of the Premises on the Target Delivery Date set forth in Section 1 above for any reason, Landlord shall not be subject to any liability for the failure to deliver possession on said date and no such failure to deliver possession on the Target Delivery Date shall in any other respect affect the validity of this Lease or the obligation of Tenant hereunder. Provided, however, the rent shall not accrue if Landlord is unable to deliver possession of the Premises. If Landlord is unable to deliver the premises for a period of nine months after the Target Delivery Date, Tenant shall have the option to terminate the Lease.

5. RENT

A. Monthly Basic Rent. Tenant shall pay to Landlord, as Basic Rent for the Premises, the sum set forth in subsection 1.C., which shall be payable in equal monthly installments. The first installment (equal to the first month's rent) shall be payable upon the execution of this Lease and the remaining installments shall be paid, in advance, on the first day of each and every calendar month during the Term.

B. Adjustment to Basic Rent. The Monthly Basic Rent as set forth in subsection 1.D. shall be adjusted commencing the 4th, 7th, and 10th years by the percentage amount that the Consumer Price Index ("CPI"), as defined herein, has increased since the commencement of the lease. As an example, if the CPI increase for year one (1) is three percent (3%), for year two (2) is four percent (4%), for year three (3) is five percent (5%), the total change in the CPI is twelve percent (12%) and the Basic Rental would be increased by 12% commencing at the beginning of the 4th year. The CPI is identified, for purposes herein, as the Consumer Price Index - All Urban Consumers - of the Bureau of Labor Statistics for the U.S. Department of Labor for Urban Wage Earners and Clerical Workers, as posted in The Wall Street Journal, Rocky Mountain Region (1967=100).

C. Definition of Rent. All amounts due from Tenant to Landlord under this Lease, other than Basic Rent, shall be due as "Additional Rent". The terms "Rent" and "Rental" as used in this Lease shall mean all amounts to be paid hereunder by Tenant, whether those sums are designated as Basic Rent or Additional Rent or otherwise and as adjusted by the terms of this Lease. Failure by Tenant to pay any sum of Rent due under this Lease shall entitle Landlord to pursue any or all remedies specified in this Lease, as well as remedies otherwise allowed by law.

D. Payment of Rent - No Deduction or Offset. The Tenant shall pay Rent to Landlord, at the address of Landlord set forth in Section 1, without demand and without

deduction, set-off, or counterclaim. If Landlord shall at any time or times accept(s) Rent after it shall become due and payable, such acceptance shall not excuse delay upon subsequent occasions, or constitute, or be construed as, a waiver of any or all of Landlord's rights hereunder. Tenant shall pay interest at the maximum interest rate allowed by law.

6. OPERATING COSTS

A. Net Lease. Tenant acknowledges that this Lease is, in all respects, considered to be a net lease and it is the intent of the parties that the Tenant shall pay its pro rata share of all operating costs listed below, including utility and services described in Section 7.

- (1) Wages, salaries, and fringe benefits of all employees and contractors engaged in the management, operation, and maintenance of the property and/or the Building; employer's Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied against Landlord on those wages and salaries; and the cost to Landlord of disability and hospitalization insurance and pension or retirement benefits for these employees.
- (2) All supplies and material used in the operation and maintenance of the Property and/or the Building, including landscaping.
- (3) Cost of water and power, and cost of heating, lighting, air conditioning, and ventilating the Building, the Common Areas, and the Premises, which costs shall be based on either Tenant's Proportionate Share or separately allocated to the Premises, at Landlord's option, based upon either direct usage, if separately metered, or an appropriate allocation among all tenants consuming those services as measured from the meter monitoring this usage.
- (4) The electrical costs incurred in the operation of the "chiller" for the Building, which shall be allocated pro rata among the Building tenants.
- (5) Cost of maintenance and for rental paid for such machinery, tools, and equipment (if rented) used in connection with the operation or maintenance of the Building.
- (6) All premium and deductibles on policies of compensation, public liability, property damage, rental loss, and other policies of insurance maintained by Landlord with respect to the Property, Building, or any insurable interest therein; and the cost of casualty and liability insurance applicable to the Property and/or the Building, the improvements therein, and Landlord's personal property used in connection therewith.
- (7) All taxes and assessments and governmental charges, whether federal, state, county, or municipal, and any other taxes and assessments attributable to the Property and/or the Building or its operation, including without limitation real property taxes and assessments and any tax or other levy, however denominated on or measured by the rental collected by the Landlord with respect to the Building, or on Landlord's business of leasing the Building, but excluding federal and state taxes on income.
- (8) A management fee, not to exceed current market rates, which may be payable to the Landlord;
- (9) Cost of replacing lamps, bulbs, starter, and ballasts used in the Building, other than those for which the cost is billed directly to the tenant. Operating Expenses

shall not include expenses for which the Landlord is reimbursed or indemnified (either by an insurer, condemner, tenant, or otherwise); expenses incurred in leasing or procuring tenants (including, without limitation, lease commissions, legal expenses, and expenses of renovating space for tenants); legal expenses arising out of disputes with tenants or the enforcement of the provisions of any lease of space in the Building; interest or amortization payments on any mortgage or mortgages, and rental under

any ground or underlying lease or leases; costs of any work or service performed for or facilities furnished to a tenant at the tenant's cost; the cost of correcting defects (latent or otherwise) in the construction of the Building, except those conditions (not occasioned by construction defects) resulting from wear and tear shall not be deemed defects; and costs of capital improvements, depreciation, and amortization (except as provided otherwise above).

- (10) Tenant shall be responsible for payment of all real estate taxes assessed against the subject property. Tenant will pay for said taxes when due.

7. UTILITIES AND SERVICES

Tenant has complete and full responsibility for paying all utilities supplied to Tenant's space including gas, electricity, water, sewage, and the pro rata cost of the utility and related HVAC costs.

- A. Tenant may operate its premises twenty-four (24) hours a day, seven (7) days per week.
- B. Landlord will furnish and Tenant will pay for utilities to provide for lighting, convenience power, heat, and air conditioning during such Building Business Hours for the comfortable occupancy of the Premises. The air conditioning system achieves maximum cooling when the window coverings are closed. Landlord shall not be responsible for room temperatures if Tenant does not keep all window coverings in the Premises closed whenever the system is in operation. Tenant agrees to cooperate fully at all times with Landlord, and to abide by all regulations which Landlord may prescribe for the proper function and protection of said air conditioning system. Tenant agrees not to connect any apparatus, device, conduit, or pipe to the Building chilled and hot water air conditioning supply lines. Tenant further agrees that neither Tenant nor its servants, employees, agents, visitors, licensees, or contractors shall at any time enter mechanical installations or facilities of the building or adjust, tamper with, touch, or otherwise in any manner affect said installation or facilities. The cost of maintenance and service calls to adjust and regulate the air conditioning system shall be charged to Tenant if the need for maintenance work results from either Tenant's adjustment of room thermostats or Tenant's failure to comply with its obligation under this Section 7, including keeping window coverings closed as needed.
- C. Landlord will provide non-attended passenger elevator facilities during Building Business Hours.
- D. Landlord will provide water for drinking, lavatory, and toilet purposes drawn through fixtures installed by Landlord.
- E. It is understood that Landlord does not warrant that any of the services referred to above will be free from interruption by virtue of a strike, labor trouble, or any other cause whatsoever. Such interruption of service shall never be deemed an

eviction or disturbance of Tenant's use or possession of the Premises, or any part thereof, nor shall it render Landlord liable to Tenant for damages, by abatement, reduction of Rent, or otherwise, nor shall it render Landlord liable to Tenant for damages, by abatement, reduction of Rent, or otherwise, nor shall it relieve Tenant from performance of Tenant's obligations under this Lease, nor shall Tenant be relieved from the performance of any covenant or agreement in this Lease because of such failure or interruption. Landlord reserves the right to stop service of the elevator, plumbing, ventilation, air conditioning, and electrical systems, when necessary, by reason of accident or emergency, or for repairs, alteration, or improvements which are in the reasonable judgment of Landlord desirable or necessary, until said repairs, alterations, or improvements shall have been completed; provided, Landlord shall use its good faith efforts to minimize interruption to Tenant's business operations.

- F. Tenant will hire and pay for janitorial services needed for Tenant's Premises throughout the term of the Lease.

8. CARE OF PREMISES

Tenant agrees that it shall:

- A. Not use or occupy the Premises in violation of law or of the certificate of occupancy issued for the Building, and shall, upon written notice from Landlord, discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or of said certificate of occupancy. Tenant shall comply with any direction of any governmental authority having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupancy thereof.
- B. Give Landlord access to the Premises at all reasonable times, without charge or diminution of Rent, to enable Landlord to examine the same and to make such repairs, additions, and alterations as Landlord may deem advisable, including the right to show the Premises for the purpose of a potential sale or lease. If Landlord gives notice to Tenant (which notice may be given by telephone or fax) and Tenant fails to respond to Landlord within twenty-four (24) hours then Landlord shall have the right to enter the Premises.
- C. At Tenant's own cost and expense and without liens, keep, repair, maintain, and replace the Premises, and every part thereof, including all fixtures, equipment, and Tenant Improvements, in proper order, condition, and repair and shall make all repairs and maintenance necessary to keep the same in such condition; provided that Landlord shall maintain, repair, and replace the structural elements of the Building and the plumbing, heating, ventilating, air conditioning, elevator, and electrical system installed or furnished by Landlord (except for items which are installed for Tenant's exclusive use). If Tenant shall fail to so repair and

maintain the Premises or any part thereof after five (5) days' notice from Landlord to do so (or such shorter period as Landlord, in the exercise of its good faith business judgment, may decide that the circumstances warrant), Landlord may, but in no event shall be obligated to, make the repairs and Tenant shall pay the actual cost thereof to Landlord on demand as Additional Rent. Maintenance and repair costs incurred by Landlord with respect to the structural elements of the Building and the plumbing, heating, ventilating, air conditioning, elevator, and electrical system installed or furnished by Landlord shall be part of the Operating Costs defined in Section 6, the responsibility of the Landlord unless such maintenance and repairs are caused in part or in whole by the act, neglect, or omission by Tenant, its agents, employees, sublessees, licensees, or invitees, in which case Tenant shall pay to Landlord, as Additional Rent, that portion of the cost of such Maintenance and repairs which, in Landlord's good faith business judgment, is attributable to the act, neglect, or omission by Tenant, its agents, employees, sublessees, licensees, or invitees.

- D. Recognize that improvements attached to the Premises become the property of the Building and may not be removed without approval of Landlord, which approval may be subject to the Tenant's paying for the cost of repairs resulting from the approval of such improvements.
- E. Upon the termination of this Lease in any manner whatsoever, remove Tenant's property and those of any other person claiming under Tenant, and quit and deliver up the Premises to Landlord peaceably and quietly in as good order and condition as the same is now in or hereafter may be put in by Landlord or Tenant, reasonable use and wear thereof excepted. Any and all costs incurred by Landlord to restore the Premises to good order and condition will be billed to Tenant, and Property not removed by Tenant at the termination of this Lease, however terminated, shall be considered abandoned and Landlord may dispose of the same as it deems expedient with reasonable cost thereof to be billed to the Tenant.
- F. Not place signs on the Premises except as authorized and approved by Landlord and subject to all applicable governmental rules and restrictions, as well as the "Building Rules and Regulations" as set forth in **Exhibit F**.
- G. Except as expressly provided in this Lease, not make any alteration of, improvements to, or addition to the Premises without the prior written approval of Landlord.
- H. Not install or authorize the installation of any coin-operated vending machine without obtaining prior written consent from Landlord.
- I. Not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building, or injure, use, or allow the Premises to be used for any improper, unlawful, or objectionable purpose, nor shall Tenant cause, maintain, or permit

any nuisance in, on, or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

- J. Not do or permit to be done anything which will invalidate or increase the cost of any fire extended coverage or any other insurance policy covering the Building and/or property located therein. Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charges for such policy by reason of Tenant's failure to comply with the provisions of this subsection 9.1.
- K. Observe the "Building Rules and Regulations" described in **Exhibit F**, which may be modified by Landlord from time to time upon reasonable notice from Landlord to Tenant.
- L. Monitor issuance of keys. Unless specifically provided otherwise in the Lease, all keys and/or Building security card devices for access to the Premises and Building are provided at Tenant's cost after Tenant receives its initial allotment of keys and/or Building security card devices, the number of keys to be determined by the parties during planning stage. Any re-keying of the Premises and/or Building due to lost or missing keys shall be at Tenant's cost. No additional locks shall be placed upon any doors without the written consent of Landlord. Additional keys and/or Building security card devices shall be furnished at Tenant's cost. Upon termination of this Lease, all keys and building security card devices shall be surrendered to Landlord.
- M. Install Tenant's communications equipment and cabling in accordance with Landlord's Building Rules and Regulations.
- N. Remove, upon Landlord's request, all cabling provided in Tenant's Premises, at Tenant's sole cost, upon Lease termination.
- O. Not place any other equipment of any kind or nature whatsoever which will or may necessitate any changes, replacements, or additions to or require the use of the water system, plumbing system, heating system, air conditioning system, or the electrical system of the Premises or Building without the prior written consent of Landlord.

All heating, ventilation, and air conditioning (HVAC) equipment installed in the Premises for Tenant ' s specific requirements, separate or in addition to the Building HVAC system, shall be maintained at Tenant's sole cost and expense.
- P. Comply with the Americans Disabilities Act with respect to Tenant's use and occupancy of the Premises.

9. ASSIGNMENT AND SUBLETTING

- A. Tenant shall not, either voluntarily or by operation of law, assign, hypothecate, or transfer this Lease, or sublet the Premises or any part thereof, without the prior

written consent of Landlord in each instance.

- B. In the event Tenant desires to assign, hypothecate, or otherwise transfer this Lease or sublet the Premises, then at least thirty (30) days prior to the date when Tenant desires the assignment or sublease to be effective (the "Assignment Date"), Tenant shall give Landlord a written notice (the "Assignment Notice"), which shall set forth the name, address, and business of the proposed assignee or sublessee, information (including references) concerning the character, ownership, and financial condition of the proposed assignee or sublessee, the Assignment Date, any ownership or commercial relationship between Tenant and the proposed assignee or sublessee, and the consideration and all other material terms and conditions of the proposed assignment or sublease, all in such detail as Landlord shall reasonably require. If Landlord requests additional detail, the Assignment Notice shall not be deemed to have been received until Landlord receives such additional detail and Landlord may withhold consent to any assignment or sublease until such information is provided to it.
- C. Landlord may, in its absolute discretion, withhold consent to any assignment, hypothecation, or transfer, assign this Lease. In any event, Landlord may withhold its consent to any assignment or sublease if the proposed sublessee or assignee, or any person or entity which directly or indirectly controls, is controlled by, or is under common control with the proposed sublessee or assignee, either (1) occupies space in the Building at the time of the request for consent, or (2) is negotiating with Landlord or has negotiated with Landlord during the six (6) month period immediately preceding the date Landlord receives Tenant's request for consent, to lease space in the Building. As a further condition to any rights Tenant may have under this Lease to sublet all or any portion of the Premises, Tenant shall sublease such space at a base rental rate no lower than Landlord's then current highest asking base rental rate for other space in the Building which is then on the market for direct lease. If there is no space in the Building then currently on the market for direct lease, Tenant shall sublease the space at a base rental rate no lower than the fair market rental rate. The subletting of substantially all the Premises for all or any part of the remaining term of this Lease shall be deemed an assignment rather than a sublease for purposes of this clause. Notwithstanding the foregoing, Landlord shall consent to the assignment or transfer, if the Assignment Notice states that Tenant desires to assign the Lease to any entity into which Tenant is merged, with which Tenant is consolidated, or which acquired all or substantially all of the assets of Tenant, provided that the assignee first executes, acknowledges, and delivers to Landlord an agreement whereby the assignee agrees to be bound by all the covenants and agreements in this Lease which Tenant has agreed to keep, observe, or perform, that the assignee agrees that the provisions of this Section 9 shall be binding upon it as if it were the original Tenant hereunder, and that the assignee shall have a net worth (determined in accordance with generally accepted accounting principles consistently applied) immediately after such assignment which is at least equal to the net worth (as so determined) of Tenant at the time this Lease was entered into.

- D. If Tenant shall sublet all or any portion of the Premises, then any consideration paid by the sublessee for the portion of the Premises being sublet that exceeds the Basic Rent and rental adjustments provided by this Lease for such portion of the Premises being sublet shall be due, owing, and payable from Tenant to Landlord when paid on owing by the sublessee under the sublease without any deduction or adjustment whatsoever for costs incurred by Tenant in connection with the sublease. For the purpose of this Section 9, the rent for each square foot of floor space in the Premises shall be deemed equal. All costs incurred in connection with any sublease including, without limitation, broker's fees and tenant improvement costs, shall be paid by Tenant.
- E. Any sale, assignment, hypothecation, or transfer of this Lease or subletting of the Premises that is not in compliance with the provisions of this Section 10 shall be void and shall, at the option of Landlord, terminate this Lease. The consent by Landlord to any assignment or subletting shall not be construed as relieving Tenant or any assignee of this Lease or sublessee of the Premises from obtaining the express written consent of Landlord to any further assignment or subletting, or as releasing Tenant or any assignee or sublessee of Tenant from any liability or obligation hereunder whether or not then accrued. Tenant shall pay Landlord as Additional Rent a reasonable fee for costs incurred in connection herewith, including but not limited to costs for attorneys, accountants, architects, Tenant Improvement oversight, and administration at the time Tenant requests in writing that Landlord consent to any assignment or subletting of the Lease. At a minimum, Landlord shall charge a fee of One Thousand and No/100 Dollars (\$1,000.00) for all assignments and subleases which require or do not require Landlord's consent, whether or not an assignment or sublease is executed. This Section 9 shall be fully applicable to all further sales, hypothecations, transfer, assignments, and subleases of any portion of the Premises by any successors or assignee of Tenant, or any sublessee of the Premises.
- F. Notwithstanding any provisions of this Section 9 to the contrary, after the Landlord receives a request from Tenant to consent to either an assignment or sublease, Landlord shall have the option, to be exercised by written notice within thirty (30) days after the receipt of such request, to terminate this Lease and the Term hereof with respect to the portion of the Premises covered by the proposed assignment or sublease on not less than thirty (30) days' and not more than ninety (90) days' notice to the Tenant. If the Landlord elects to terminate this Lease as aforesaid, Tenant shall have the right, to be exercised by written notice to the Landlord ten (10) days after receipt of such notice of termination, to withdraw the request for consent to the proposed assignment or sublease, in which case the Tenant shall not proceed with such assignment or sublease, the notice of termination shall be null and void, and this Lease shall continue in full force and effect in accordance with its terms. In the event Landlord elects to terminate this Lease as provided herein, Landlord shall have the additional right to negotiate directly with Tenant's proposed assignee or subtenant and to enter into a direct

lease with such party on such terms as shall be acceptable to the Landlord in its sole and absolute discretion, and Tenant hereby waives any claims against Landlord related thereto, including without limitation any claims for any compensation or profit related to such lease.

The term "assign", as used herein, shall include an assignment of a part of interest in this Lease, as well as any assignment from one co-tenant to another; and an assignment to any prior owner of the Tenant's interest herein or part thereof. An assignment within the meaning of this Section 9, shall be deemed to include one or more sales or transfers, by operation of law or otherwise.

10. DAMAGE OR DESTRUCTION

- A. In the event the Building and/or the Premises are damaged by fire or other perils covered by Landlord's insurance, Landlord shall:
- (1) In the event of a partial destruction of the Building and/or the Premises, to an extent not exceeding twenty-five percent (25%) of the full insurable value thereof, and if the damage thereto is such that the Building and/or the Premises may be repaired, reconstructed, or restored within a period of one hundred twenty (120) days from the date of the happening of such casualty and if Landlord will receive insurance proceeds sufficient to cover the cost of such repairs, then Landlord shall commence and proceed diligently with the work of repair, reconstruction, or restoration and this Lease shall continue in full force and effect.
 - (2) If such repair, reconstruction, or restoration shall require a period longer than one hundred twenty (120) days or exceeds twenty-five percent (25%) of the full insurable value thereof, or if said insurance proceeds will not be sufficient to cover the cost of such repairs, then Landlord may elect to either so repair, reconstruct, or restore and the Lease shall continue in full force and effect or Landlord may elect not to repair, reconstruct, or restore and the Lease shall then terminate.
 - (3) Under any of the conditions of this subsection IO.A., Landlord shall give written notice to Tenant of its intention within forty-five (45) days after the occurrence of such damage or destruction. In the event Landlord elects not to restore the Building and/or the Premises, this Lease shall be deemed to have terminated as of the date of such partial destruction. In the event Landlord elects to restore the Building and/or the Premises, but it is reasonably estimated that such restoration will take longer than nine (9) months from the date of the casualty, then Tenant may terminate this Lease on written notice to Landlord.
- B. Upon any termination of this Lease under any of the provisions of this Section 10, the parties shall be released without further obligation to the other from the date

possession of the Premises is surrendered to Landlord except for items which have theretofore accrued and are then unpaid.

- C. In the event of repair, reconstruction, or restoration by Landlord as herein provided, the Rental payable under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction, or restoration. Tenant's recovery for damages, if any, is limited to Rental abatement. Tenant shall not be entitled to any compensation or damages for loss in the use of the whole or any part of the Premises and/or any inconvenience or annoyance occasioned by any damage, repair, reconstruction, or restoration.
- D. Tenant shall not be released from any of its obligations under this Lease except to the extent and upon the conditions expressly stated in this Section 10. Notwithstanding anything to the contrary contained in this Section 10, if Landlord is delayed or prevented from repairing or restoring the damaged Premises within nine (9) months after the occurrence of such damage or destruction by Acts of God, war, governmental restrictions, inability to procure the necessary labor or materials, or other cause beyond the control of Landlord, Landlord shall be relieved of its obligation to make such repair or restoration and Tenant shall be released from its obligations under this Lease as of the end of said nine (9) month period and this Lease shall be deemed terminated.
- E. If damage is due to any cause other than fire or other peril covered by extended coverage insurance, Landlord may elect to terminate this Lease.
- F. If Landlord is obligated to or elects to repair or restore as herein provided, Landlord shall be obligated to make repair or restoration only of those portions of the Building and/or the Premises which were originally provided at Landlord's expense, including special improvements, and the repair and restorations of items not provided at Landlord's expense shall be the obligation of Tenant.
- G. Notwithstanding anything to the contrary contained in this Section 10, Landlord shall not have any obligation whatsoever to repair, reconstruct, or restore the Premises when the damage resulting from any casualty covered under this Section 10 occurs during the last nine (9) months of the then current term of this Lease. However, if Landlord chooses not to restore, Tenant may elect to terminate this Lease.

11. INDEMNIFICATION

- A. Tenant shall indemnify, defend, and hold Landlord harmless from all claims arising from Tenant's use of the Premises, the conduct of its business, or from any activity, work, or thing done, permitted, or suffered by Tenant in or about the Premises. Tenant shall further indemnify, defend, and hold Landlord harmless from all claims arising from any breach or default in the performance of any

obligation to be performed by Tenant under the terms of this Lease, or arising from any act, neglect, fault, or omission of Tenant or of its agents or employees, and from and against all costs, attorney's fees, expenses, and liabilities incurred in or about such claim or any action or proceeding brought thereon. In case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense provided that the foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence of Landlord, or its officers, contractors, agents or employees. In the event of concurrent negligence of Tenant, its sublessees, assignees, invitees, agents, employees, contractors, or licensees on the one hand, and that of Landlord, its agents, employees, or contractors on the other hand, which concurrent negligence results in injury or damage to person or property of any nature and howsoever caused, and relates to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of the Premises, Common Areas, or Building, Tenant's obligation to indemnify Landlord as set forth in this Section shall be limited to the extent of Tenant's negligence, and that of Tenant's sublessees, assignees, agent, employees, contractors, or licensees, including Tenant's proportional share of costs, attorney's fees, and expenses incurred in connection with any claim, action, or proceeding brought with respect to such injury or damage. The parties agree that this provision was mutually negotiated.

- B. Landlord shall indemnify, defend, and hold Tenant harmless from all claims arising from Landlord's work in or about the Common Area. Landlord shall further indemnify, defend, and hold Tenant harmless from all claims arising from any breach or default in the performance of any obligation to be performed by Landlord under the terms of this Lease, or arising from any act, neglect, fault, or omission of Landlord or of its agents or employees, and from and against all costs, attorney's fees, expenses, and liabilities incurred in or about such claim or any action or proceeding brought thereon. In case any action or proceeding shall be brought against Tenant by reason or any such claim, Landlord, upon notice from Tenant, shall defend the same at Landlord' s expense by counsel approved in writing by Tenant; provided that the foregoing provision shall not be construed to make Landlord responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence of Tenant, or its officers, contractors, agents, or employees.

12. DAMAGE TO TENANT'S PROPERTY

Notwithstanding anything in this Lease to the contrary, Landlord or its agents shall not be liable for any damage to Tenant's property which is caused by:

- A. Loss or damage to any property by theft or otherwise.
- B. Landlord or its agents shall not be liable for interference with light or other

incorporeal hereditaments.

Tenant shall give prompt notice to Landlord in case of fire or accidents on the Premises or in the Building, or of defects therein, or in the fixtures or equipment.

13. TENANT'S INSURANCE

- A. Tenant is an agency of the State of Montana and, as such, maintains and will continue to maintain such liability and other insurance as is outlined in Title 2, Chapter 9, of the Montana Code Annotated.
- B. The parties acknowledge that the leased property is going to be used predominantly for general office use and secondarily for laboratory and research purposes.
- C. Tenant shall not allow any waste or nuisance on the Premises, or use or allow the Premises to be used for any unlawful purpose.
- D. To the extent not prohibited by or violative of any policy of fire or extended coverage insurance issued to Landlord or to Tenant, Landlord and Tenant hereby waive the right to maintain a direct action against the other for damages arising out of such other's negligent or otherwise tortious acts or omissions, but only to the extent that the cost of repairing such damage is covered by insurance or would have been covered by insurance proceeds payable under any policy required to be maintained under this Lease, but not so maintained. Each policy of such insurance shall, if obtainable from the insurer without additional expense either: (1) contain a waiver of subrogation by insurer against Tenant or Landlord, as the case may be; or (2) include the name of the Landlord or Tenant, as the case may be, as an additional insured, but not as a party to whom any loss shall be made payable. If the inclusion of either said provisions would involve an additional expense, either party, at its expense, may require such provisions to be inserted in the other's policy. In the event a party is unable to obtain such a waiver, it shall immediately notify the other of this inability. In absence of such notification, each party shall be deemed to have obtained such waiver of subrogation.

14. EMINENT DOMAIN

If more than twenty-five percent (25%) of the Building containing the Premises shall be taken or condemned for public or quasi-public use, under any statute or by right of eminent domain, or private purchase in lieu thereof, by any competent authority, Tenant shall have no claim against Landlord and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation. All rights of the Tenant to damages therefore are hereby assigned by the Tenant to Landlord; provided, nothing contained in this Section 14 shall be deemed to give Landlord any interest in any award made to Tenant for the taking of personal property and fixtures belonging to Tenant. Upon such condemnation or taking, the term of this Lease shall cease and terminate from the date such

governmental agency takes possession, and the Tenant shall have no claim against Landlord for the value of any unexpired term of the Lease. If less than twenty- five percent (25%) of the Building shall be so taken, but if such taking shall substantially affect the Premises or the means of access thereto, or if such taking shall be of a substantial part of the Premises, Landlord or Tenant shall have the right, by delivery of notice in writing to the other party, to terminate this Lease as of the date when possession shall be so taken. If neither party shall so elect, this Lease shall be and remain unaffected by such taking except that, effective as of the date when possession shall be so taken, the Rent payable hereunder shall be diminished by all amounts which shall bear the same ratio to the rent as the area of the part of the Premises taken bears to the area of the Premises before such taking.

15. BANKRUPTCY

If Tenant shall file a petition in bankruptcy under any provision of the Bankruptcy Code as then in effect, or if Tenant shall be adjudicated bankrupt in involuntary bankruptcy proceedings and such adjudication shall not have been vacated within thirty (30) days from the date thereof, or if a receiver or trustee shall be appointed of Tenant's property and the order appointing such receiver or trustee shall not be set aside or vacated within thirty (30) days after the entry thereof, or if Tenant shall assign Tenant's estate or effects for the benefit of creditors, or if this Lease shall, by operation of law or otherwise, pass to any person or persons other than Tenant, then in any such event Landlord may terminate this Lease, if Landlord so elects, with or without notice of such election and with or without entry or action by Landlord. In such case, notwithstanding any other provisions of this Lease, Landlord, in addition to any and all rights and remedies allowed by law or equity, shall, upon such termination, be entitled to recover damages in the amount provided for by Section 18 of this Lease.

Neither Tenant nor any person claiming through or under Tenant or by virtue of any statute or order of any court shall be entitled to possession of the Premises but shall surrender the Premises to Landlord. Nothing contained herein shall limit or prejudice the right of Landlord to recover damages, by reason of any such termination, equal to the maximum allowed by any statute or rule of law in effect at the time, and governing the proceedings in which such damages are to be proved, whether or not such amount is greater, equal to, or less than the amount of damages recoverable under the provisions of this Section 15.

16. DEFAULT AND REMEDIES

- A. The occurrence of any one or more of the following events shall constitute a default hereunder by Tenant:
- (1) The vacation or abandonment of the Premises by Tenant. Abandonment is herein defined to include, but is not limited to, any absence by Tenant from the Premises for five (5) business days or longer while Tenant is in default of any provisions or term of this Lease.
 - (2) The failure by Tenant to make any payment of Rent or any other payment

required to be made by Tenant hereunder, as and when due.

- (3) The failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in (1) or (2) above, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant. If the nature of Tenant's default is such that more than a ten (10) day period is reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion, which completion shall occur no later than sixty (60) days from the date of such notice from Landlord.
- (4) The filing by or against Tenant of a petition to have Tenant adjudged as bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days.
- (5) The appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days.

B. In the event of any such default by Tenant, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder. In the event that Landlord shall elect to so terminate this Lease, then Landlord may recover from Tenant:

- (1) The amount of any unpaid Rent which had been earned at the time of such termination; plus
- (2) The amount by which the unpaid Rent which would have been earned after termination and for the balance of the Lease Term exceeds the amount of such Rental loss that Tenant proves could have been reasonably avoided; plus
- (3) Any interest charged on delinquent Rent; plus
- (4) The costs incurred by Landlord in re-letting the Premises, which costs shall include but not be limited to real estate broker's fees incurred by Landlord; the costs of repairing the Premises and putting the same into a tenantable condition; the cost of tenant improvements, alterations, renovations, and decorating the Premises for the new tenant(s); any allowances or credits which Landlord grants such new tenant(s); any expenses or costs related to any assumption by Landlord of the lease of such replacement tenant(s); an amount equal to the difference between the Basic Rent as specified in this Lease and the rent payable by the replacement tenant(s); the attorney's fees and costs incurred by Landlord; plus

- (5) Any other amount necessary to compensate Landlord for all the actual damages proximately caused by Tenant's failure to perform Tenant's obligation under this Lease.
- C. In the event of any such default by Tenant, and in addition to all other remedies, Landlord shall also have the right, with or without terminating this Lease, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. Landlord shall be entitled to hold and sell Tenant's property in a commercially reasonable manner as specified in the Uniform Commercial Code as enacted in the State of Montana. No re-entry or taking possession of the Premises by Landlord pursuant to this Section 16 shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction.
- D. (1) In the event of any such default by Tenant and in the event that Landlord shall elect to re-enter as provided above or shall take possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, Landlord may from time to time, without terminating this Lease, and without waiving its right to recover all damages incurred, re-let the Premises or any part thereof for the term of this Lease on terms and conditions as Landlord, in its sole discretion, may deem advisable with the right to make alterations and repairs to the Premises.
- (2) In the event that Landlord shall elect to so re-let, then Rentals received by Landlord from such re-letting shall be applied first to the payment of any cost of such re-letting (including the costs described in subsection 16.B.(4) above); second, to the payment of the cost of any alterations and repairs to the Premises; third, to the payment of an indebtedness other than Rent due hereunder; and fourth, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied to payment of future Rent as the same may become due and payable hereunder. Should the portion of such Rentals received from such re-letting during any month, which is applied to the payment of Rent hereunder, be less than the Rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord immediately upon demand therefore by Landlord.
- E. Tenant acknowledges that certain benefits or concessions provided by Landlord are conditioned upon Tenant's timely, full, and faithful performance of each and every obligation, covenant, representation, and warranty of this Lease throughout the entire Term, even though such benefits or concessions may be realized by Tenant over less than the entire Term. Accordingly, notwithstanding anything to the contrary contained herein, in the event Landlord brings an action against Tenant for default under this Lease, Landlord shall become immediately entitled

to receive from Tenant, as Additional Rent, the amount of all such benefits and concessions allocable to the balance of the Lease term on a pro rata basis, including without limitation:

- (1) any amounts theretofore or thereafter paid by Landlord to Tenant or to any third party or any amounts credited to Tenant or to any third party, for or on account of:
 - i) any moving, tenant improvement, decorating, or other allowance or credit granted to Tenant;
 - ii) any real estate commission paid on account of this Lease;
 - iii) any expenses or costs related to assumption by Landlord of any other lease.
- (2) rent for any period for which this Lease provides any zero or nominal Rent, including any period of early occupancy of the Premises prior to the commencement of the Term of this Lease; plus
- (3) the amount spent by Landlord for any tenant improvements to the Premises.

All rights, options, and remedies of Landlord contained in this Lease shall be construed and held to be cumulative, and not one of them shall be exclusive of the other; and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by Landlord of any Rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver. The consent or approval of Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar acts by Tenant.

- F. Landlord shall be in default in the performance of any material obligation required to be performed by Landlord under the Lease if Landlord has failed to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) calendar days are required for its performance, then Landlord shall not be deemed in default if it shall commence such performance within thirty (30) days and thereafter diligently pursues the same to completion.

17. SUBORDINATION, QUIET ENJOYMENT

- A. Without the necessity of any additional document being executed by Tenant for the purpose of effective subordination, and at the election of Landlord or any mortgagee or beneficiary of a deed of trust with a lien on the building or any part

thereof, or any ground lessor (collectively referred to in this Lease as "Mortgage"), this Lease shall be subject and subordinate at all times to:

- (1) All ground leases or underlying leases which may not exist or hereafter be executed affecting the Building or any part thereof; and
 - (2) The lien of any mortgage or deed of trust which may not exist or hereafter be executed in any amount for which the Building, ground leases, underlying leases, or Landlord' s interest or estate in any of said items is specified as security (collectively referred to as "Mortgages").
- B. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated any such ground leases or underlying leases or Mortgages to this Lease.
- C. In the event that any ground lease or underlying lease terminates for any reason or any Mortgage is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the Tenant of the successor-in-interest to Landlord, at the option of such successor-in-interest. Tenant covenants and agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents evidencing the priority of subordination of this Lease with respect to any such ground leases or underlying leases, or in lieu of any such Mortgage. Should Tenant fail to sign and return any such documents within twenty (20) business days of such request, Tenant shall, at Landlord's election, be in default under this Lease.
- D. In the event of any such subordination of this Lease pursuant to subsection 17.C., Tenant's possession of the Premises shall remain undisturbed and Tenant' s rights under this Lease shall be recognized and shall not be adversely affected so long as Tenant is not in default under this Lease.

18. ESTOPPEL CERTIFICATES

Tenant shall from time to time, upon written request of Landlord, execute, acknowledge, and deliver to Landlord, or its designee, a written statement stating: the date this Lease was executed; the Term Commencement Date, as well as the date of Term expiration; the date Tenant entered into occupancy of the Premises; the amount of minimum monthly Rental and the date through which such Rental has been paid; and certifying that this Lease is in full force and effect and has not been assigned, modified, supplemented, or amended in any way (or specifying the date of the agreement so affecting this Lease); that this Lease represents the entire agreement between the parties as to this leasing; that all conditions under this Lease to be performed by Landlord have been satisfied; that all required contributions by Landlord to Tenant on account of Tenant's improvements have been received; that on this date there are no existing defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; and that not more than one month's Rental has been paid in advance.

19. ATTORNEY'S FEES

- A. **Payment to Prevailing Party.** If either party shall bring an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against any other party by reason of the breach or alleged violation of any covenant, term, or obligation hereof, or for the enforcement of any provision hereof, or to interpret the Lease, or for any other claim otherwise arising out of this Lease, the Prevailing party (as defined below) in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorney's fees, which shall be payable whether or not such action is prosecuted to judgment. "Prevailing Party" within the meaning of this Section 19 shall include, without limitation, a party who dismisses all action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.
- B. **Attorney's Fees in Third-Party Litigation.** If either party is required to litigate or defend any action or proceeding with a third party (including, without limitation, any cross-complaint, counterclaim of third-party claim) because of the other party's breach of this Lease, or otherwise arising out of this Lease, and such party is the Prevailing Party in such action or proceeding, then the party so initiating or defending shall be entitled to reasonable attorney's fees from the other party.
- C. **Scope of Fees.** Attorney's fees under this Section 19 shall include attorney's fees on any appeal, attorney's fees on any confirmation of an arbitration award or in enforcing any judgment on an arbitration award; and, in addition, a party entitled to attorney's fees shall be entitled to all other reasonable costs and expenses occurred in connection with such action.

20. NOTICES

Unless specifically set forth elsewhere in this Lease, all notice required or permitted to be given hereunder must be in writing and may be given by personal delivery, overnight air courier, or by mail; and, if given by mail, shall be mailed by certified mail, return receipt requested, addressed to Tenant or to Landlord at the addresses designated in subsection 1.F. Notice shall be deemed sufficiently given:

- A. When tendered, if written notice is personally delivered; or
- B. On the date delivered (or on the date delivery is refused) if sent by overnight air courier; or
- C. If mailed, forty-eight (48) hours after deposit of the above-described certified mail with the United States Postal Service. Either party may specify a different address for notice purposes by written notice to the other.

21. HOLDING OVER

Should Tenant continue to occupy the Premises after expiration or termination of the Term or any renewal or renewals thereof with Landlord's written consent, such tenancy shall be from month-to-month at a monthly Rent equal to 150% of the Rent and Additional Rent paid for the last month of the Term of this Lease and all other charges due hereunder for each month or any part thereof of any such holdover period. In the event of any unauthorized holding over by Tenant, such tenancy shall be a tenancy at sufferance at a rental rate equal to 200% of the Rent and Additional Rent paid for the last month of the Term, and Tenant shall indemnify Landlord against all claims for damages by any other tenant to whom Landlord may have leased all or any part of the Premises covered hereby effective upon termination of this Lease.

22. ALTERATIONS

A. Approval Process.

- (1) Interior Finishes or Structural Work. Tenant shall not make or cause to be made interior finish work (alterations, additions, or improvements) to the Premises or structural interior alterations (structural interior alterations include but are not limited to alterations involving the Building's electrical, mechanical, plumbing, fire safety, life, or other Building's systems), without the prior written approval of Landlord. All work must comply with the Tenant Improvement Specifications and the Building Shell Specifications (as defined in **Exhibit C**). All work shall be performed by Landlord using contractors which are licensed and bonded. In addition, Tenant shall comply with the terms and conditions provided in the Construction Rules and Regulations attached hereto as **Exhibit G**. Tenant shall provide Landlord with written notice of its intent to make changes at least fourteen (14) days prior to the start of any proposed work. Notice shall include detailed information concerning the following items:
 - i) General description of the changes to be made including the description of any demolition work;
 - ii) It is a requirement to use licensed and bonded contractors to do the work. All contractors shall provide Landlord with a certificate of insurance complying with Landlord's insurance requirements prior to commencement of any work;
 - iii) Estimate of cost of work;
 - iv) Intended work schedule, including duration and indicating whether the work will be accomplished during "normal Building hours" or on an off-hours basis; and
 - v) Plans and specifications for the work, including all cabling and

mechanical/electrical plans (unless work only involves finishes, e.g., decorating, floorings, wall coverings, carpeting, painting, where plans and specifications are not applicable).

- B. Work at Tenant's Risk.** Tenant shall complete any work done pursuant to subsection 22.A. at Tenant's sole risk, cost, and expense in accordance with the Construction Rules and Regulations attached hereto as **Exhibit G**.
- C. Title to Property.** Landlord shall notify Tenant prior to the commencement of any improvements under this Section 22 if Tenant will be required to remove such additions, alterations, or improvements at the end of the Lease term and restore the Premises to the same condition it was in prior to such installation. Improvements which Landlord does not require the Tenant to remove shall immediately become the property of the Landlord. Notwithstanding the foregoing sentence, Tenant shall be obligated to remove, at Tenant's cost, all cabling within the Premises, and to restore the Premises to its original condition in connection with such removal. At the expiration or earlier termination of this Lease, all alterations, additions, or improvements made by Tenant after the Commencement Date shall, at Tenant's option (unless otherwise required by Landlord), either be removed and the Premises returned to their original configuration (normal wear and tear and damage due to fire or other casualty excepted), or shall become the property of Landlord, free and clear of liens, claims, and encumbrances, to remain upon and be surrendered with the Premises. Notwithstanding anything to the contrary herein, all movable partitions, business and trade fixtures, machinery and equipment, communications equipment, and office equipment affixed to or located within the Premises, which can be removed without damage to the Building, shall remain the property of Tenant; provided, Tenant shall promptly repair any damage to the Premises and Building upon their removal. Furniture, furnishings, and other articles of personal property owned by Tenant and located in the Premises shall be and remain the property of Tenant and may be removed by Tenant at any time during the Term and any extensions thereof.

All alterations to the Premises with or without Landlord's written approval shall be made in accordance with Landlord's Construction Rules and Regulations attached hereto as **Exhibit G**. Landlord reserves the right to modify such rules and regulations as Landlord determines in its sole discretion.

23. PRIOR AGREEMENT, AMENDMENTS

Neither party hereto has made any representations or promises except as contained herein or in some further writing signed by the party making such representations or promises. No agreement hereinafter made shall be effective to change, modify, discharge, or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge, or abandonment is sought.

24. SUCCESSORS

All of the covenants, agreements, terms, and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, legal representatives, successors, assigns, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.

25. RIGHT TO PERFORM

If Tenant shall fail to pay any sum of money, other than Basic Rent and Additional Rent required to be paid by it hereunder, or shall fail to perform hereunder, and such failure shall continue for ten (10) days after notice hereof by Landlord, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of non-payment of sums due under this Section 25 as in the case of default by Tenant in the payment of Rent.

26. FORCE MAJEURE

Whenever performance is required of either party hereunder, that party shall use all due diligence to perform and shall take all necessary measures in good faith to perform; provided, however, that, except with respect to Tenant's obligation to pay Rent or any other charges due under this Lease, if completion of performance shall be delayed at any time by reason of Acts of God, war, civil commotion, riots, strikes, picketing, or other labor disputes, governmental actions, Landlord's inability to obtain permits or other governmental approvals, inability to obtain materials, or damage to work in progress by reason of fire or other casualty, or other cause beyond the reasonable control of said party (except to the extent of such party's negligence), then the time for performance as herein specified shall be appropriately extended by the amount of the delay actually so caused.

27. LIMITATION ON LIABILITY

In consideration of the benefits accruing hereunder, Tenant and all successors and assigns covenant and agree that, in the event of any actual or alleged failure, breach, or default hereunder by Landlord:

- A. The sole and exclusive remedy shall be against Landlord's interest in the Building.
- B. Landlord shall not be liable for liability or damage claims for injury to persons or property from any cause relating to the occupancy of the premises by Tenant during the term of this lease or any extension thereof, except to the extent of Landlord's negligence or willful misconduct. Tenant shall indemnify and hold Landlord harmless from all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature, and shall carry premises liability insurance as provided by Montana law, except to the extent of Landlord's

negligence or willful misconduct. Proof of such insurance shall be furnished to Landlord upon execution of this agreement.

- C. Any cause relating to the occupancy of the premises by tenant during the term of this lease or any extension thereof, except to the extent of Landlord's negligence or willful misconduct. Tenant shall indemnify and hold Landlord harmless from all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature, and shall carry premises liability insurance, with Landlord as additional insured, except to the extent of Landlord's negligence or willful misconduct. Proof of such insurance shall be furnished to Landlord upon execution of this agreement. Proof of subsequent renewals shall be sent to Landlord at the above address on the annual anniversary date of this agreement.

28. MODIFICATION BY LENDER

If, in connection with obtaining construction, interim, or permanent financing for the Building, the lender shall request reasonable modification of this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay, or defer its consent thereto, provided that such modification(s) do not increase the obligations of Tenant hereunder or materially and/or adversely affect the leasehold interest hereby created or Tenant's rights hereunder.

29. MISCELLANEOUS

- A. **Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of the Rent due shall be deemed to be other than on account of the amount due nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction. Landlord's right to recover the balance of such Rent or any installment, or to pursue any other remedy provided in this Lease, shall be unaffected by said payment, endorsement, or statement. Landlord reserves the right, in the absence of instructions to the contrary, to apply payment received from Tenant in whatever manner Landlord chooses.
- B. **Authority.**
- (1) **Tenant.** If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that she/he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation in accordance with the Bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. Concurrently with the execution of this Lease, Tenant shall deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing the execution of this Lease. If Tenant is a partnership, each individual executing this Lease on behalf of said partnership represents and warrants that she/he is duly authorized to

execute and deliver this Lease on behalf of said partnership and that this Lease is binding upon said partnership in accordance with its terms and, concurrently with the execution of this Lease, Tenant shall deliver to Landlord such evidence of authorization as Landlord may require. If Tenant is a marital community, or a member of a marital community, both members of the marital community shall exercise this Lease or, concurrently with execution of this Lease, Tenant shall deliver to Landlord such evidence as Landlord may require that the member signing this Lease has the authority to sign on behalf of the marital community or, with Landlord's prior written consent, that Tenant's interest in this Lease is to be the separate estate of the signing member .

(2) **Landlord**. The individual executing on behalf of Landlord represents and warrants that she/he is duly authorized to execute and deliver this Lease on behalf of Landlord and that this Lease is binding upon said Landlord.

C. **Captions**. The captions of the paragraphs in this Lease are inserted and included solely for convenience and shall never be considered or given any effect in construing or interpreting the provisions hereof if any question of intent should arise.

D. **Construction**. This Lease shall be construed in accordance with the laws of the State of Montana.

E. **Definition of "Landlord"**. The term "Landlord", as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the fee title of the Premises or the lessees under any master lease, if any. In the event of any transfer, assignment, or other conveyance or transfers of any such title, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer, assignment, or conveyance of all liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed. Without further agreement, the transferee of such title shall be deemed to have assumed and agreed to observe and perform any and all obligations of Landlord hereunder, during its ownership of the Premises. Landlord may transfer its interest in the Premises without the consent of the Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

F. **Definition of "Tenant"**. The word "Tenant", wherever used in this Lease, shall be construed to mean tenants in all cases where there is more than one tenant, and the necessary grammatical changes required to make the provisions hereof apply to corporations, partnerships, or individuals, men or women, shall in all cases be assumed as though in each case fully expressed. Each provision hereof shall extend to and shall, as the case may require, obligate or inure to the benefit of

Landlord and Tenant and their respective agents and employees.

- G. Examination of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option of Lease, and it is not effective as a Lease or otherwise until execution by and delivery to both Landlord and Tenant.
- H. Exhibits.** All exhibits attached to this Lease are incorporated herein by reference.
- I. Light and Air.** This Lease does not grant any right of access to light, air, or view over the property and Landlord shall not be liable for any diminution of such light, air, or view by an adjacent structure and/or vegetation. Tenant agrees and covenants that no diminution of light, air, or view by any structure which may hereafter be erected shall entitle Tenant to any reduction in Basic or Additional Rent under this Lease, result in any liability or obligation of Landlord to Tenant, or in any way affect this Lease or Tenant's obligations hereunder.
- J. Merger.** This Lease supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the Premises and contains all of the covenants, agreements, and other obligations between the parties with respect to the Premises.
- K. Name.** Tenant shall not, without the written consent of Landlord, use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Premises, and in no event shall Tenant acquire any rights in or to such names.
- L. Parking.** Landlord shall provide adequate parking meeting Bozeman Code requirements for employees on the east side of the parking lot and for guests on the west side of the parking lot.
- M. Partial Invalidity.** If any term, covenant, or condition of this Lease is held invalid or unenforceable, the validity and enforceability of the Lease shall not be affected thereby; all remaining terms, covenants, or conditions of this Lease shall be valid and be enforceable to the fullest extent of the law.
- N. Recording.** Neither Landlord nor Tenant shall record this Lease, nor a short form memorandum thereof, without the consent of the other.
- O. Severability.** Any provision of this Lease which shall prove to be invalid, void, or illegal in no way affects, impairs, or invalidates any other provision hereof, and such other provisions shall remain in full force and effect.
- P. Signage.** At Tenant's request, Landlord shall install, as a part of the Tenant Improvement allowance, up to one (1) building standard lobby directory slip and one (1) tenant plaque for suite signage.

- Q. Time.** Time is of the essence of this Lease with respect to the performance of every provision of this Lease in which time or performance is a factor.
- R. Waivers.** The waiver by Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained, nor shall any custom or practice, which may grow up between the parties in the administration of the terms hereof, be deemed a waiver of or in any way affect the right of Landlord to insist upon the performance by Tenant in strict accordance with said terms. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

30. HAZARDOUS MATERIALS

- A. "Hazardous Material" means any substance, waste, or material which is deemed hazardous, toxic, a pollutant, or a contaminate under any federal, state, or local statute, law, ordinance, rule, regulation, or judicial or administrative order or decision, now or hereafter in effect.
- B. The parties recognize that Tenant will use hazardous materials in its laboratory spaces. Tenant has a hazardous waste management program that will apply to the laboratories of Tenant in the Building. Tenant agrees to manage and dispose of hazardous materials as required by federal, state, or local statute, law, ordinance, rule, regulation, or judicial or administrative order or decision, now or hereafter in effect.
- C. Tenant shall be liable to Landlord for any and all clean-up costs and any and all other charges, fees, penalties imposed by any governmental authority with respect to Tenant's use, disposal, transportation, generation, and/or sale of hazardous materials or other waste materials in or about the Property. Tenant shall indemnify, defend, and save Landlord harmless from any and all costs, fees, penalties, and charges assessed against or imposed upon Landlord as a result of Tenant's use, disposal, transportation, generation, and/or sale of hazardous substances or other waste materials.

31. OPTION TO EXTEND

Tenant shall have one (1) option to extend the Term of Lease by giving Landlord written notice of its intent to extend at least twelve (12) months prior to the expiration of the original Term of the Lease or the subsequent Terms of the Lease. The option to extend shall be for a term of five (5) years at a Rent equal to the Rent being paid for the last year of the Lease plus six percent (6%), with a rental increase at the beginning of the fourth (4th) year as determined by the terms of Section 5.B. herein.

32. RIDERS:

Clauses, plats, and riders, if any, signed by both Landlord and Tenant, and affixed to this Lease, are a part hereof.

IN WITNESS WHEREOF, the respective parties hereto have executed this Lease or caused this Lease to be executed by their duly authorized representatives the day and year first hereon written.

LANDLORD:

TENANT:

UNIVERSITY WAY, LLC

MONTANA STATE UNIVERSITY

Printed Name: _____
Its: _____

Printed Name: _____
Its: _____

LANDLORD'S ACKNOWLEDGMENT

STATE OF MONTANA)
) ss.
County of Gallatin)

On this ____ day of _____, 200__, before me, a Notary Public in and for the State of Montana, personally appeared

_____, known to me to be the Partners of UNIVERSITY WAY, LLC, the entity that executed the foregoing instrument to be the free and voluntary act and deed of UNIVERSITY WAY, LLC, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument.

IN WITNESS WHEREOF, my hand and official seal are hereto affixed the day and year in this instrument above written.

Notary Public for the State of Montana
Printed Name: _____
Residing at: _____
My Commission Expires:

TENANT'S ACKNOWLEDGMENT

STATE OF MONTANA)
) ss.
County of Gallatin)

On this ____ of _____, 200__, before me the undersigned, a Notary Public in and for the State of Montana, duly commissioned and sworn, personally appeared _____, known to be the _____ of MONTANA STATE UNIVERSITY, the entity that executed the foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of MONTANA STATE UNIVERSITY for the uses and purposes therein mentioned, and on oath stated that he/she/they is/are authorized to execute said instrument.

IN WITNESS WHEREOF my hand and official seal are hereto affixed the day and year in this instrument above written.

Notary Public for the State of Montana
Printed Name: _____
Residing at: _____
My Commission Expires: _____

EXHIBIT A

FLOOR PLAN OF PREMISES

This exhibit is a continuation of that certain Lease dated _____, 200__ by and between UNIVERSITY WAY, LLC, as Landlord, and MONTANA STATE UNIVERSITY as Tenant, for certain real property in the City of Bozeman, Gallatin County, Montana, and by this reference shall become part of that agreement. This Exhibit A consists of the following floor plan which is marked Exhibit A.

EXHIBIT B

LEGAL DESCRIPTION OF LAND AND BUILDING

This exhibit is a continuation of that certain Lease dated _____, 200____, by and between _____, Landlord, and MONTANA STATE UNIVERSITY, tenant, for certain real property located in the City of Bozeman, Gallatin County, Montana, and by this reference shall become part of that agreement.

Lot 2 of Minor Subdivision No. 371, Gallatin County, Montana.

EXHIBIT C

WORK LETTER AGREEMENT

This exhibit is a continuation of that certain Lease dated _____, 200__ by and between _____, LLC ("Landlord"), and MONTANA STATE UNIVERSITY ("Tenant"), for certain real property located in the City of Bozeman, Gallatin County, Montana, and by this reference shall become part of that agreement.

This Work Letter Agreement is entered into upon the date this Lease is fully executed by and between Landlord and Tenant.

RECITALS

A. Concurrently with the execution of this Work Letter Agreement, Landlord and Tenant have entered into a lease (the "Lease") covering certain premises (the "Premises") more particularly described in the Lease.

B. In order to induce Tenant to enter into the Lease (which is hereby incorporated by reference to the extent that the provisions of this Work Letter Agreement may apply thereto) and in consideration of the natural covenants hereinafter contained, Landlord and Tenant hereby agree:

1. Space Plan and Related Requirements.
 - a. Within thirty (30) days from the date of this Lease, Landlord and Tenant shall agree upon a space plan (the "Space Plan"), which shall be based on Landlord's Uniform Building Standard Specifications attached hereto as Exhibit C-1 (the "Tenant Improvement Specifications") for the tenant improvements to be constructed in the Premises. The Space Plan shall show the location of demising walls, partitions, doors, electrical devices, communication devices, and indicates in general the improvements to be done in Premises pursuant to this Work Letter Agreement (which improvements are hereafter referred to as the "Tenant Improvements").
 - b. Within five (5) calendar days following Landlord's approval of the Space Plan, Tenant shall furnish to Landlord any final adjustments to the Space Plan, including final location of partitions, doors, ceiling devices, and final specifications for materials and finishes, electrical devices, electrical loads, heat loads, extraordinary floor loads, special equipment, and all other requirements (all of which must be in conformance with the Tenant Improvement Specifications). Final adjustments to the Space Plan shall not materially change the defined scope or cost of the Tenant Improvements. Any increases in cost due to Tenant's changes not covered by the Tenant Improvement Allowance shall be paid for by Tenant upon demand. Tenant agrees to meet and cooperate with Landlord's architects and engineers as required and provide complete information as requested.

Landlord shall be entitled, in all respects, to rely upon information so supplied by Tenant and Tenant's vendors. If Tenant does not provide Landlord with any adjustments to the Space Plan within the five (5) day period referenced above, the Space Plan approved by Landlord shall be the Final Space Plan.

- c. All space plans and related requirements referred to hereinabove shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld except to the extent there are variations from the Tenant Improvement Specifications, in which case Landlord may withhold its approval in Landlord's sole discretion.
- d. Tenant shall be allowed up to a maximum of two (2) adjustments to the Space Plan. Any adjustments beyond the first two (2) shall be at Tenant's sole cost and expense.

2. Work Schedule.

Provided Tenant does not delay in providing any final adjustments to the Space Plan within the time period described in subsection l.b. above, then within ten (10) business days following Landlord's approval of the Space Plan, Landlord shall provide Tenant with a preliminary work schedule (the "Preliminary Work Schedule") setting forth the various items of work and duration of each task.

3. Construction Drawings and Specifications.

- a. Within five (5) days of the last date on which Tenant may make adjustments to the Space Plan or the date Tenant notifies Landlord there will be no further adjustments to the Space Plan, whichever is earlier, Landlord shall cause its architects and engineers to prepare the initial set of construction drawings and specifications (the "Construction Drawings") detailing the complete scope of the Tenant Improvements (the "Work") based on the approved Space Plan. The Construction Drawings shall include architectural, structural, plumbing, mechanical, electrical, and fire protection drawings as required and shall be prepared by duly-licensed or registered architects as required by regulatory agencies, and shall utilize the Uniform Building Specifications. Any additional drawings or revisions shall be at Tenant's sole cost and expense.
- b. Tenant and Landlord shall approve Construction Drawings within five (5) days from their completion, such approval not to be unreasonably withheld. Unless a party disapproves of the Construction Drawings within such five (5) day period, approval shall be deemed granted. If either party disapproves of the Construction Drawings, Landlord shall cause the drawings to be corrected within five (5) days. After final approval, no further changes may be made to the Construction Drawings without the prior written approval of Tenant and Landlord, which approval may be

withheld by Landlord if such changes will result in a delay in completion. Additional revisions requested by the Tenant resulting in additional costs shall be the sole responsibility of the Tenant. Approval of Construction Drawings shall be considered final authorization to proceed.

- c. Within five (5) days after the approval of the Construction Drawings by Landlord and Tenant as described in Section 3.b. above, Landlord shall cause approved Construction drawings to be submitted to the appropriate governmental agencies for plan review and building permit. Landlord shall diligently pursue all applicable governmental approvals in a timely manner so as not to delay progress or completion of the Work. Revisions which may be required by governmental agencies as a result of the plan review process shall be reviewed by the Tenant and Landlord and modifications reflecting same shall be mutually agreed upon in a timely manner so as not to delay progress of the Work. Upon mutual agreement of any modifications required by governmental agencies, Landlord shall cause its architects and engineers to promptly incorporate said modifications into the Construction Drawings which shall then be re-submitted to the City by Landlord. The final work schedule and substantial completion date shall be extended as required to reflect time lost, if any, to incorporate any such revisions.

4. Construction of Tenant Improvements.

After the Construction Drawings have been prepared and approved, Landlord shall submit for a building permit for the Tenant Improvements. Landlord shall obtain three (3) competitive estimates from Landlord's preferred contractor list. Landlord and Tenant shall approve one (1) estimate within three (3) days from Landlord's notice to Tenant of the estimates. Upon approval, Landlord shall enter into a construction contract with its contractor for the installation of Tenant Improvements in accordance with the Construction Drawings. Within five (5) business days from the date Landlord enters into the construction contract, Landlord shall obtain from the contractor a final work schedule (the "Final Work Schedule") which shall replace the Preliminary Work Schedule. Landlord shall supervise the completion of the Work and shall use its reasonable best efforts to secure completion of the Work by the date set forth in subsection I.B. of the Lease.

Tenant shall have two (2) weeks early access to the Premises for the installation of furniture, equipment, telephone lines, data network wiring, and security system, provided that such access does not delay Landlord's work or increase the cost to Landlord in completing the Tenant Improvements.

5. Payment for Tenant Improvements.

- a. Landlord shall provide Tenant an allowance of up to \$15.00 per rentable square foot (which, based on 27,060 rentable square feet, totals \$405,900.00 (the "Tenant Improvement Allowance") towards the cost of

the installation of the Tenant Improvements excluding Tenant's moving costs, furniture, fixtures, equipment, telephone data, and other communications cabling. Landlord shall have no additional responsibility or obligation to pay any amount in excess of the Tenant Improvement Allowance. All costs or expenses incurred by Landlord in excess of the Tenant Improvement Allowance shall be the sole and exclusive responsibility of Tenant and shall be payable to Landlord as Additional Rent upon invoice by Landlord on an ongoing basis during construction based on Tenant's pro rata share of Tenant Improvement costs, which pro rata share shall be based on the amount by which the total estimated costs of the Tenant Improvements exceeds the amount of the Tenant Improvement Allowance. The Tenant Improvement Allowance shall be disbursed by Landlord directly to Landlord's contractor.

- b. Landlord shall provide Tenant an additional allowance of up to \$12.00 per Rentable Square Foot ("Special Tenant Improvement Allowance"), which, based on 27,060 rentable square feet totals \$324,720.00. The Special Tenant Improvement Allowance may be applied toward the cost of laboratory related Tenant Improvements, excluding those Tenant Improvements and other costs itemized in subsection 5.a., **Exhibit C**, above. This Special Tenant Improvement Allowance shall be disbursed by Landlord directly to Landlord's contractor. Tenant shall pay Landlord additional Rent for the Special Tenant Improvements of \$324,720.00, amortized over the initial term of the Lease (120 months)) which shall be at the annual rate of \$1.90 per rentable square foot or \$4,285.00 per month (1.90 x 27,060 sq. ft. divided by 12 months). In the event the Special Tenant Improvements total less than \$324,720.00, the additional Rent shall be reduced proportionately.
- c. Maintenance of Special Tenant Improvements shall be the responsibility of Tenant.

6. Additional Work.

- a. Any changes to the Tenant improvements requested by the Tenant after final approval of the Construction Drawings (" Additional Work") shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld and shall, upon approval by Landlord, be incorporated into the Construction Drawings by Tenant. Thereafter, Landlord shall submit to Tenant a written cost estimate of the Additional Work, all of which shall be completed at Tenant's sole cost and expense, including costs associated with: (1) revisions to the Space Plan and/or Construction Drawings; (2) construction of the Additional Work; (3) required permits, governmental fees, and inspections; (4) as-built record documentation; and (5) delay of the Final Work Schedule. Upon written approval thereof by Tenant, Landlord shall authorize its contractor, architect, engineer, and/or vendor to proceed with the Additional Work,

and to submit actual costs by change order to the construction contract for invoicing to Tenant. Failure by Tenant to approve the cost estimate or Final Work Schedule within five (5) days of receipt thereof shall be deemed a withdrawal of request, and contractor shall proceed with the Work as defined in the Lease. Under no circumstances shall the Substantial Completion Date or the Rent Commencement Date change as a result of Tenant's Additional Work.

- b. Tenant shall pay to Landlord a fee for overhead and coordination of the Additional Work equal to four percent (4%) of the gross value of the Additional Work.
- c. Tenant shall utilize Uniform Building Specifications as defined in Exhibit C-1 to the extent such finishes and materials are applicable to the scope of the Additional Work. Tenant shall be responsible for all costs related to the proper design, operation, and maintenance of the Additional Work, whether or not installed by Landlord's contractor at Tenant's request.
- d. All Additional Work referred to hereinabove shall be subject to Landlord's approval, which approval shall not be unreasonably withheld.

7. Substantial Completion and Commencement of Term.

- a. Subject to the provisions of subsection 7.b. below, the terms "Substantial Completion", "Substantially Complete", and words of similar import as used herein shall mean the earlier of the following dates: (1) the date upon which the Tenant takes possession or commences operation of its business in the Premises; or (2) the date upon which a Certificate of Occupancy or temporary Certificate of Occupancy has been issued for the Premises.
- b. Notwithstanding the provisions of subsection 7.a. above, if there is a delay in Substantial Completion as a result of:
 - (1) Tenant's failure to approve any item or to perform any other obligation by the date specified in the Work Letter, including, without limitation, Tenant's failure to approve the Construction Drawings within the time limits set forth above;
 - (2) Tenant's request for materials, finishes, or methods of construction not readily available; or
 - (3) Tenant's request for Additional Work (whether or not agreeable to Landlord) or Change Orders; such a delay shall cause the Commencement Date to accelerate by the number of days delayed from the date the Commencement Date would otherwise have occurred.

8. ADA Compliance.

- a. With respect to any Tenant Improvements installed by Landlord, Landlord shall

comply with the provisions of the Americans with Disabilities Act (ADA), Title III, "Commercial Facilities", in place at the time of construction and as enforced by the applicable governing agencies.

- b. The Tenant shall determine and provide for reasonable accommodation to persons with disabilities within the Premises in accordance with the Americans with Disabilities Act (ADA) Title I, "Employment".

9. Cooperation.

The parties agree to use their reasonable best efforts to cause each of their respective consultants, architects, and/or engineers to cooperate with one another so that the Tenant Improvements are promptly, diligently, and efficiently constructed in accordance with the Work Schedule.

10. Force Majeure.

Landlord shall have no liability whatsoever to Tenant for the inability or delay of Landlord to fulfill any of Landlord's obligations under this Work Letter Agreement on account of any cause beyond Landlord's reasonable control, including without limiting the generality of the foregoing, lock-outs (including lock-outs decreed or recommended for its members by a recognized contractors' association of which the Landlord is a member or to which the Landlord is otherwise bound), strikes, labor disputes, inability to procure materials or services, restrictive governmental laws or regulations, inability to procure necessary permits, fire, act of God, floods, delays in transportation, acts of civil or military authorities, riots, insurrection, sabotage, rebellion, and war. If the Lease, this Work Letter Agreement, or the Work Schedule specifies a time period for performance of all obligations of Landlord, that time period shall be extended by the period of any delay in Landlord's performance caused by any of the events of force majeure described above.

EXHIBIT C-1

UNIFORM BUILDING STANDARD SPECIFICATIONS

This exhibit is a continuation of that certain Lease dated _____, 200__ by and between UNIVERSITY WAY, LLC ("Landlord"), and MONTANA STATE UNIVERSITY ("Tenant"), for certain real property located in the City of Bozeman, Gallatin County, Montana, and by this reference shall become part of that agreement.

Construction of the Tenant Improvements shall be per the space plan attached herein and detailed per industry and building standard practice. All materials and finishes shall be per the uniform Building standard specifications as defined herein. The intent of the uniform Building standard specifications is to achieve a uniform and consistent appearance throughout the Building. Materials and finishes not specifically defined herein, if requested by Tenant and approved by Landlord, shall be at Tenant's sole cost and expense and may be subject to an additional Tenant cost to restore the premises to a uniform Building standard condition upon termination of the Lease. Payment terms for all items subject to restoration shall be agreed upon prior to the start of any Work.

Partitions:

Demising Walls - 2½" x 9'-0" - 25 gauge-metal studs, 5/8" gypsum wall board each side taped with smooth finish, sound attenuating blanket in wall cavity, and ceiling plenum 2'-0" each side of wall.

Interior walls - 2½" x 9'-0" metal studs, 5/8" gypsum wall board each side, taped with smooth finish.

Finish - one coat latex primer, one coat latex paint with eggshell finish, neutral colors.

Partitions must be attached to mullions with double back tape.

Ceilings:

Existing 2'x2' exposed suspended ceiling grid at 9'-0" A.F.F., existing lay-in acoustical mineral fiber panels with fissured pattern finish, off-white uniform Building standard color.

Floors:

Carpet - 28 oz. cut pile, glue down installation or similar quality as determined by Landlord.

Vinyl composition tile - Armstrong "Exelon" 12" x 12" tiles, Imperial texture finish, neutral colors.

Doors, Frames, and Hardware:

Doors and frames - 3'-0" uniform Building standard 7' -0" full height 1-¾" solid core with 5-ply

plain sliced red oak veneer.

Wood finish - uniform Building standard stain to match, sanding sealer, clear, water-based lacquer semi-gloss finish coat.

Hardware - ADA compliant commercial grade lever action passage latch set by uniform Building standard manufacturer, 2 pair butt hinges, brushed aluminum finish.

Window Treatment:

Existing 1" mini-blinds on exterior walls, uniform building standard color.

Millwork:

Cabinetry - prefabricated particle board modular units with standard manufacturer's laminated finish.

Plumbing:

Stainless steel Kohler single lever faucet and sink, 6 gallon electric hot water circulating pump.

Electrical, Lighting, and Communications Systems:

Convenience power - one 120V/180W duplex outlet per office mounted at interior partition and/or one 120V/20A circuit in junction box per group of eight modular workstations mounted at plenum or interior partition.

Equipment power - one dedicated 120V/20A copier circuit mounted at interior partition.

Telephone and data - mud ring with pull string, one per office and/or one per group of eight modular workstations mounted at interior partition. Installation of system wiring by Tenant's vendor in accordance with Item 3 of the Building Rules and Regulations attached hereto as **Exhibit F**. Location of telephone/data processing equipment shall be in Tenant's premises.

Ambient light fixtures - existing 2 x 4 fluorescent lay-in fixture with parabolic louver, existing cool white lamps. Approximately one (1) per 80 square feet.

Switching - one switch per office and/or open area.

Electrical panel must be re-labeled.

Mechanical Systems:

Existing building shell heating, ventilating, and air conditioning system per building design standard specifications. All twenty-four (24) hour cooling must be separately metered.

Fire Protection and Life Safety Systems:

Type, quantity, and location of devices per Fire Marshall, Uniform Fire Code, and all applicable municipal regulatory agencies.

EXHIBITS D AND E

Exhibits D and E are not applicable to this Lease.

EXHIBIT F

BUILDING RULES AND REGULATIONS

This exhibit is a continuation of that certain Lease dated _____, 200____, by and between University Way, LLC, Landlord, and Montana State University, Tenant, for certain real property located in the City of Bozeman, Gallatin County, Montana, and by this reference shall become part of that agreement, which **Exhibit F** Landlord shall have the right to amend from time to time.

1. The sidewalks, entries, passages, court corridors, stairways, and elevators shall not be obstructed by Tenant, its employees, or agents, or used by them for purposes other than ingress and egress to and from Premises.

2. Notwithstanding any of the terms and provisions of this Lease, Tenant will refer to all contractors, contractors' representatives, and installation technicians rendering any service on or to the Premises for Tenant to Landlord for Landlord's approval and supervision before performance of any contractual service. This provision shall apply to all work performed in the Building, including installation of telephones, telegraph equipment, electrical devices and attachments, and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, or any other physical portion of the Building. Such approval, if given, shall in no way make Landlord a party to any contract between Tenant and any such contractor, and Landlord shall have no liability therefore. In the event a contractor is hired by Tenant, the Tenant and the contractor shall execute Landlord's standard form Hold Harmless Agreement, which holds Landlord, its agents, and invitees harmless from any and all liability in connection with contractor's work.

3. Tenant's communication equipment, cabling, telegraphic, telephone, security systems, or other electrical connections shall not be installed without Landlord's prior written approval. Tenant shall install its phone and computer systems in Tenant's suite and Landlord will require Tenant to label all such installations at the point of beginning, in each mechanical room, every twenty (20) feet to the end point. Within thirty (30) days of final completion of any such work, Tenant shall provide Landlord a final as-built, detailing the routes and locations of such installation.

4. Except as otherwise indicated herein, no signs, advertisements, or notices shall be inscribed, painted, or affixed on any part of the inside or outside of the Building unless of such color, size, style, and in such place upon or in the Building as shall first be designated in writing by Landlord; there shall be no obligation or duty on Landlord to allow any sign, advertisement, or notice to be inscribed, painted, or affixed on any part of the inside or outside of the Building. Signs on doors will be painted for the Tenant by a sign writer approved by Landlord, the cost of the painting to be paid by Tenant. No furniture shall be placed in front of the Building or in any lobby or corridor without the prior written consent of Landlord. Landlord shall have the right to remove all other signs and furniture without notice to Tenant at the expense of Tenant.

5. Landlord's acceptance of any name for listing on the Building Directory will not be deemed, nor will it substitute for, Landlord's consent, as required by this Lease, to any

sublease, assignment, or other occupancy of the Premises.

6. Tenant shall have the non-exclusive use in common with Landlord, other tenants, their guests, and invitees, of the automobile parking areas, driveways, and footways, subject to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord. Landlord shall have the right to designate parking areas not so designated, specifically including driveways, fire lanes, load/ unloading areas, handicapped zones, walkways, and building entrances. Tenant agrees that, upon written notice from Landlord, it will furnish to Landlord, within five (5) days from receipt of such notice, the state automobile license numbers assigned to the automobiles of the Tenant and its employees. Landlord shall not be liable for any vehicle of the Tenant or its employees that Landlord shall have towed from the Premises. Landlord will not be liable for damage to vehicles in the parking areas or for theft of vehicles, personal property from vehicles, or equipment of vehicles. Cars parked overnight may be towed, at Tenant' s expense, unless Tenant has prior written permission from Landlord.

7. No Tenant shall do or permit anything to be done in the Premises, or bring or keep anything therein, which will in any way increase the rate of casualty insurance on the Building, or on property kept therein, or obstruct or interfere with the rights of other tenants, or in any way injure or annoy them, or conflict with the laws relating to fire, or with any regulations of the fire department, or with any insurance policy upon said buildings or any part thereof, or conflict with any rules and ordinances of any governmental agency or department.

8. No windows or other openings that reflect or admit light into the corridors or passageways, or to any other place in said Building shall be covered or obstructed by Tenant.

9. No person shall disturb the occupants of the Building by the making of loud or objectionable noises, or any other unreasonable or offensive conduct or activity, including but not limited to smoking, which is in violation of any applicable law or as designated by Landlord. In the absence of a designated smoking area, no person shall smoke within thirty (30) feet from any posted "No Smoking" signs or any Building entrance. No dogs or other animals or pets of any kind will be allowed in the Building.

10. The water closets and other water fixtures shall not be used for any purpose other than those for which they were constructed, and any damage resulting to them from misuse, or by the defacing or injury of any part of the Building, shall be borne by the Tenant who, or whose employees or agents, shall have caused it.

11. No bicycles or similar vehicles will be allowed in the Building.

12. Nothing shall be thrown out the windows of the Building or down the stairways or other passages.

13. Tenant shall not be permitted to use or to keep in the Building any kerosene, gasoline, or any inflammable or combustible fluids or materials, without the prior written consent of Landlord.

14. If Tenant desires, at its cost, shades, draperies, or awnings, they must be of such

shape, color, materials, and make as shall be designated by Landlord. Any outside awning may be prohibited by Landlord. Landlord or its agents shall have the right to enter the Premises to examine the same or to make such repairs, alterations, or additions as Landlord shall deem necessary for the safety, preservation, or improvement of the Building. Landlord or its agents may show said Premises and may place on the windows or doors thereof, a notice "For Rent") for six (6) months prior to the expiration of the Lease.

15. No portion of the Building shall be used for the purpose of lodging rooms or for any unlawful purposes.

16. All glass, locks, and trimmings in or about the doors and windows and all electric fixtures belonging to the Building shall be kept whole, and whenever broken by anyone shall be immediately replaced or repaired and put in order by Tenant under the direction and to the satisfaction of Landlord; and, on removal, shall be left whole and in good repair.

17. Landlord reserves the right at any time to take one elevator out of service for the exclusive use by the Building management in servicing the Building.

18. All safes, furniture, or other heavy articles shall be carried up or into the Premises only at such times and in such manner as shall be prescribed by Landlord at Tenant's sole cost and expense. Landlord requires Common Area walls and corners to be protected and Masonite board to be installed and used in the Common Areas for all furniture moves. Landlord shall in all cases have the right to specify the proper weight and position of any such safe or other heavy article. Any damage done to the Building by taking in or removing any such equipment or from overloading any floor in any way shall be the responsibility of the Tenant. Defacing or injuring in any way any part of the Building by the Tenant, its agents, or employees shall be paid for by the Tenant.

19. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

20. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements, and conditions of Tenant's Lease of its Premises in the Building.

21. Tenant shall fully cooperate in allowing, from time to time, such examinations, tests, inspections, and reviews of the Premises as Landlord, in its sole and absolute discretion, shall determine to be advisable in order to evaluate any potential environmental problems. Landlord expressly reserves the right to conduct examinations, tests (including but not limited to a geohydrologic survey of soil and subsurface conditions), inspections, and review of the premises as Landlord in its sole and absolute discretion may determine to be necessary.

22. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care

and cleanliness of the Building, and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted.

23. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, contractors, Clients, customers, invitees, and guests.

24. If Tenant's use of heating, cooling, or convenience power exceeds the design load parameters of the Building and a service call is requested, then Tenant is responsible for such service as a direct Tenant cost.

25. Tenant shall pay for all additional security costs and Landlord maintenance personnel required in connection with Tenant's move-in or move-out. Landlord shall have the right to establish and modify from time to time rules governing the move-in and move-out of Tenant's furniture, fixtures, and equipment; and Tenant shall fully comply with such rules as established and modified.

EXHIBIT G

CONSTRUCTION RULES AND REGULATIONS

This exhibit is a continuation of that certain Lease dated _____, 200__, by and between UNIVERSITY WAY, LLC, Landlord, and MONTANA STATE UNIVERSITY, Tenant, for certain property located in the City of Bozeman, Gallatin County, Montana, and by this reference shall become a part of that agreement.

1. All finishes must be matched to the building standard including doors and frames, hardware, interior partition detail, column details, etc.
2. Any materials not reused in Tenant's alterations must be returned to Landlord. Tenant agrees to have Tenant's contractor store such items in the areas designated by Landlord.
3. All workmanship must be done in conformity with commercial standards in a first class office building and in accordance with all local and federal governmental codes, including any requirements necessary to bring the Premises into compliance therewith.
4. Building electrical panel must be labeled to show electrical changes, including but not limited to electrical outlets and lighting relocations and additions.
5. All common areas including but not limited to entrances, carpeted areas, elevators, and ceilings affected by the performance of Tenant's alterations, must be restored to their original condition immediately upon request of Landlord. Landlord hereby states that all common areas are in excellent condition and do not show any signs of wear and tear. Should Tenant or Tenant's contractor notice any common areas which have an existing condition of wear and tear, Tenant or Tenant's contractor shall notify Landlord in writing prior to commencement of improvements.
6. Addition of any equipment which will in any way increase the consumption of electricity beyond the building standard use or will have a significant impact on the HVAC system, must be specified and detailed in writing to Landlord for review and approval.
7. Any work performed must not affect any of the building systems, including but not limited to fire protection, mechanical, and electrical, and shall be coordinated with the Landlord. All systems are required to be restored at the end of the day.
8. All work performed must not affect the structural integrity of the Building.
9. Work performed during regular business hours must not disrupt the business or operations of adjoining tenants. Specifically, all work which creates disruptive noise or odors must be completed during non-business hours.
10. Tenant must obtain all governmental permits and approvals before commencing work.

11. Tenant indemnifies, defends, and holds Landlord harmless from and against all losses, liabilities, damages, heirs, costs, penalties, and expenses arising from or out of the performance of such alterations.

12. Work related to the roof of the Building:

- Access by authorized personnel only.
- No objects shall be left unattended.
- Core penetrations shall be performed by Landlord's contractor at Tenant's cost.

13. In addition to the conditions listed above, Tenant's contractor shall fully comply with the following additional conditions:

- No smoking is allowed except in areas designated as smoking areas, or a minimum of thirty (30) feet from any Building entrance.
- All common areas must be kept clear of contractor's supplies and materials.
- All perimeter doors shall not be held open during non-business hours. Violation of this condition will result in fines to Tenant and Tenant's contractor.
- No loading or unloading of contractor's supplies or materials shall be done during normal business hours. Loading and unloading during non-business hours must be done with protection to the common areas of the building. Landlord must be advised twenty-four (24) hours in advance of deliveries in or out of the building.
- Contractor shall not use any existing lines of communication to the building for its own use.
- Restoring the premises to the condition delivered to Tenant, including labor and materials of the suspended ceiling, lights, mechanical systems, or any other condition existing prior to the alterations.

September 19-21, 2007

ITEM 136-2003-R0907

Request for Authorization to Utilize Short Term Loans for the Continuation of a Multi-Year Information Technology Infrastructure Replacement Plan; Montana State University-Bozeman

REQUEST:

Montana State University-Bozeman requests authorization from the Board of Regents of the Montana University System to utilize short term loans, as detailed in the attachments provided, in order to continue the University's multi-year Information Technology Infrastructure and Telecommunications Replacement Plans.

EXPLANATION:

1) At its May 29, 2003 meeting the Board of Regents authorized Montana State University to establish mandatory Information Technology Fees at each of its campuses.

2) Because the IT Infrastructure and Telecommunications Replacement Plans are based upon a continual flow of short term loans, the University believes that it is a good business practice to request Regent approval of a package of short term loans for one biennium at a time.

3) At the meetings conducted September 25, 2003 and September 21, 2005, the Board of Regents authorized Montana State University-Bozeman to utilize short term loans in each respective biennium for the implementation and continuation of its Multi-Year Information Technology Infrastructure Replacement Plan.

4) The most likely sources of short term loans for Montana State University are GE Capital Finance, other similar private finance institutions, and Intercap loans from the Montana Board of Investments. It is the policy of these financial institutions and the BOI to require a signed endorsement from the Office of the Commissioner of Higher Education for loans such as these.

5) The primary sources of revenue for infrastructure replacement are:

- a) IT Center revenue contributions from operations related to the IT infrastructure;
- b) Student IT fees that are estimated to increase annually at a maximum rate of 3.5%;
- c) MSU-Bozeman institutional contributions from agencies and departments, which increase commensurate with Student IT fee increases;

d) Affiliate campus contributions to support the usage of shared infrastructure, primarily the Banner system and associated costs.

6) The primary expenditures of the infrastructure replacement plan are:

- a) Network wiring installation and upgrading throughout the campus;
- b) Network equipment to support and manage internetworking traffic across Bozeman and sister campuses;
- c) Data servers to host and manage large-scale software systems
- d) Hardware and software associated with the Banner/Oracle administrative information system;
- e) Other equipment necessary for system support, such as air conditioning and power units;
- f) Investment in future initiatives for both the Banner system and general infrastructure.

7) Attachment #1 itemizes the individual IT infrastructure and Telecommunications replacement and enhancement projects for the 08-09 biennium, and provides estimated subtotals of necessary loan proceeds. This biennium is at a peak of loan activity over the entire plan, due to a coincidence of activities and a necessary large-scale upgrade and change in pricing strategy for the Oracle/Banner system, to realize future cost containment and improved cash flow overall. Additionally, loans that were approved for activity in the previous biennium have in some cases been postponed to the current.

8) Attachments #2 and #3 are schedules which show a summary of the revenues, expenditures and projected fund balance in the IT Infrastructure and Telecommunications Programs, illustrating the financial soundness of the plans, while allowing for the unpredictability of future advancements in technology as well as fluctuations in costs and pricing models.

ATTACHMENTS:

- #1 FY08/09 Short Term Loan Program
- #2 IT Infrastructure Replacement Program
- #3 Telecommunications Replacement Program

MSU IT & Telecom Infrastructure Replacement Plan: FY 08-09 Short Term Loan Program		
FY 08		Projected Loan Subtotals
Banner Equipment - Multi-Campus		\$ 875,000
	Banner SAN	
	3 - HP RX6600 Servers	
	Internet Native Forms Repl	
Banner Initiatives - Multi-Campus		\$ 1,200,000
	Oracle Site License	
	Disaster Recovery - Equipment	
	Disaster Recovery - software licenses	
Wiring - MSU Bozeman		\$ 443,000
	Remove CAT3 wiring misc buildings	
	Chem Research Building	
	SUB/Renne remodel	
Network Equipment - MSU Bozeman		\$ 852,000
	Core IDF Upgrade, 9 IDFs w SUP720s	
	IDF/BDF Telecom Room upgrades	
	Building switch replacements	
Data Servers - MSU Bozeman		\$ 250,000
	Gemini Server Cluster	
	Gemstones Servers	
	TREX & New Initiatives	
Other Data Equipment - MSU Bozeman		\$ 272,000
	New generator and UPSs	
	Compq DLT Mini Library - Jewels	
New Initiatives - MSU Bozeman		\$ 240,000
	Luminis/WebCT Integration, Backup srvr	
	MS SQL Server	
	Wireless Intrusion Detection	
Telecommunications - MSU Bozeman		\$0
Emergency Repair and/or Replacement - MSU Bozeman		\$200,000
	FY08 Subtotals	\$ 4,332,000
FY 09		
Banner Equipment - Multi-Campus		\$ 233,000
	Luminis Production servers	
Banner Initiatives - Multi-Campus		\$ 64,000
	Future Banner Initiatives	
Wiring - MSU Bozeman		\$ 213,000
	Building re-wiring	
Network Equipment - MSU Bozeman		\$ 133,000
	Intrusion Detection Cisco	
	Packeteer Packet Shaping	
	Cisco Switch maintenance renewal	
Data Servers - MSU Bozeman		\$ 81,000
	LDAP DS1 & DS2	
	Jade dept application server	
	Helene, Amber, Coral, Sw, Windrivers servers	
Other Data Equipment - MSU Bozeman		\$ 353,000
	New air conditioner, growth/redundancy	
	Data backup system	
	Powerware UPS S3 Rack Mount	
New Initiatives - MSU Bozeman		\$ 48,000
	Future New Initiatives	
Telecommunications - MSU Bozeman		\$ 138,000
	Back up air conditioning	
	Battery Charger/Rectifiers (AC to DC)	
	Automated Attendant System	
Emergency Repair and/or Replacement - MSU Bozeman		\$200,000
Contingency Expenses		\$500,000

Montana State University IT Infrastructure Replacement Program - MSU-Bozeman												
	FY 08-09											
	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
REVENUES	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
MSU Sister Campus Contributions (Portal, Banner, Oracle)												
MSU-Billings	110,866	110,383	150,454	163,212	171,386	188,277	194,318	210,474	208,585	187,262	193,666	212,222
MSU-Northern	43,144	42,320	58,980	63,706	66,563	73,122	75,468	81,743	81,010	72,728	75,215	82,422
MSU-Great Falls	18,950	19,342	31,226	34,009	35,953	39,497	40,764	44,153	43,757	39,284	40,627	44,520
Sub-Total (see comment for FY05)	172,960	172,044	240,660	260,927	273,902	300,896	310,550	336,371	333,351	299,275	309,509	339,164
MSU Bozeman ITC Revenue Contributions												
Switch Port Activations	\$33,820	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income - 1% of prior FY Fund Balance	14,186	50,159	14,228	18,475	19,415	20,080	20,104	19,847	19,808	19,940	21,570	23,742
Land Grant OLP	330,000											
Tel R&R Contribution Seed												
Tel R&R Telephone Structured Wiring	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883
Data Capital Actual fund balance-include Inventory												
Oracle Upgrade Financing (prior to Student IT Fee)	82,727											
Microsoft Litigation Settlement-see New Init-LANdesk												
Provost/ITC Funding for Web CT-Luminis Integration	50,000	50,000										
ITC Compensated Balance + Other Transfers	361,711	170,000										
MSU Bozeman Institutional Contributions												
Contribution Commitment - OLP General Operations		69,863	71,085	72,329	73,595	74,883	76,193	77,527	78,883	80,264	81,669	83,098
Contribution Commitment - AES		26,884	27,354	27,833	28,320	28,816	29,320	29,833	30,355	30,887	31,427	31,977
Contribution Commitment - Extension Service		21,024	21,392	21,766	22,147	22,535	22,929	23,330	23,739	24,154	24,577	25,007
Contribution Commitment - Fire Services Training School		917	933	949	966	983	1,000	1,018	1,035	1,054	1,072	1,091
Contribution Commitment - Current Restricted		32,701	33,273	33,856	34,448	35,051	35,664	36,288	36,923	37,570	38,227	38,896
Contribution Commitment - Auxiliaries		50,685	51,572	52,474	53,393	54,327	55,278	56,245	57,230	58,231	59,250	60,287
MSU Bozeman Student Contributions												
Student IT Fee Income		906,532	922,396	938,538	971,387	1,005,386	1,040,574	1,076,994	1,114,689	1,153,703	1,194,083	1,235,876
TOTAL REVENUES - IT Cap Plan Fund 478265 only	\$1,101,286	\$1,606,692	\$1,438,777	\$1,483,032	\$1,533,457	\$1,598,839	\$1,647,496	\$1,713,337	\$1,751,897	\$1,760,960	\$1,817,265	\$1,895,020
MSU Bozeman ITC Contribution from Operations												
ITC-Bzn SW Costs from General Operating Fund 401115	337,463	355,490	590,454	607,975	637,853	669,277	702,333	737,107	773,696	812,197	852,717	895,367
Student Fee Per Semester		35.00	35.61	36.24	36.87	37.52	38.17	38.84	39.52	40.21	40.91	41.63
Percentage Increase			1.75%	1.75%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
EXPENDITURES												
Multi-Campus Shared Expenditures												
Banner Equip & Banner Initiatives, no renewal	\$275,760	\$280,445	\$388,933	\$489,517	\$576,792	\$665,074	\$674,829	\$754,560	\$704,580	\$514,964	\$519,826	\$608,688
Banner/Oracle Software Licensing & Renewals	337,463	355,490	590,454	607,975	637,853	669,277	702,333	737,107	773,696	812,197	852,717	895,367
Total Multi-Campus Shared Expenditures w/ SW/Renewals	613,223	635,934	979,387	1,097,492	1,214,645	1,334,351	1,377,162	1,491,667	1,478,276	1,327,161	1,372,543	1,504,055
MSU Bozeman Only Capital Expenditures												
Past Oracle Upgrade Financing	82,727											
MSU Bozeman Infrastructure												
Wiring Debt Retirement + Cash Outlay	174,329	177,131	246,315	271,094	295,415	240,876	266,876	292,841	318,058	315,917	321,238	336,580
Network Equipment Debt Retirement + Cash Outlay	365,283	161,765	105,935	236,102	242,774	271,390	276,899	316,426	322,807	327,131	312,829	319,145
Data Servers Debt Retirement + Cash Outlay	81,524	97,057	91,409	135,749	126,431	182,624	195,864	204,080	209,800	214,974	212,904	180,288
Other Data Equipment Debt Retirement + Cash Outl	3,720	16,605	13,542	52,789	100,791	101,757	113,628	93,483	126,189	166,415	162,793	163,255
MSU Bozeman Future Initiatives												
New Initiatives Debt Retirement + Cash Outlay	240,754	174,533	168,003	203,772	124,728	134,712	145,118	55,850	57,224	58,632	70,454	82,568
Subtotal MSU Bozeman Only Expenditures	948,337	627,092	625,204	899,507	890,139	931,360	998,384	962,680	1,034,078	1,083,070	1,080,218	1,081,836
MSU Bozeman Share of Multi-Campus Expenses	\$462,002	\$483,692	\$758,535	\$850,008	\$940,743	\$1,033,455	\$1,066,612	\$1,155,296	\$1,144,925	\$1,027,887	\$1,063,035	\$1,164,890
Total MSU Bozeman All Expenditures	1,410,340	1,110,784	1,383,739	1,749,515	1,830,882	1,964,815	2,064,996	2,117,976	2,179,003	2,110,956	2,143,253	2,246,727
TOTAL CAPITAL PLAN EXPENDITURES w/o SW/Renewals	\$1,224,098	\$907,537	\$1,014,136	\$1,389,025	\$1,466,932	\$1,596,434	\$1,673,213	\$1,717,240	\$1,738,658	\$1,598,034	\$1,600,044	\$1,690,524
(Multi-Campus Banner Equip & Inits + MSU Bozeman Only)												
ADJUSTED PROJECTED FUND BALANCE (not incl Inv, AR) w/o Renewals												
(Prior FY Balance + Total Revenues - Total Expenditures w/o Renewal)	\$723,660	\$1,422,832	\$1,847,473	\$1,941,480	\$2,008,005	\$2,010,411	\$1,984,693	\$1,980,790	\$1,994,029	\$2,156,955	\$2,374,176	\$2,578,672

Montana State University Telecommunications Replacement Program - MSU-Bozeman												
	FY 08-09											
	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
REVENUES												
Interest Income - 2.5%	8,443	9,729	5,945	6,342	7,501	7,269	7,361	6,556	6,086	4,810	4,239	3,154
Telephone Line Life Cycle Transfer fr 435023	123,029	123,648	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Transfers in from ITC & Other												
Total Revenues	131,472	133,376	125,945	126,342	127,501	127,269	127,361	126,556	126,086	124,810	124,239	123,154
EXPENDITURES												
Air Conditioning												
Back Up Air Conditioning				18,000								
PBX Upgrades												
PBX Core Processor Upgrades		71,719						60,000				
PBX Software Upgrades	23,820		25,000		25,000		25,000		25,000		25,000	
PBX Software Port Capacity Expansion (RTU)			3,200	1,639	1,680	1,721	1,763	1,807	1,851	1,897	1,943	1,991
PBX Line Cards (Used for Port Cap Expansion)			5,000		5,123		5,249		5,378		5,510	
PBX Succession Media Card Voice Gateway			4,500					5,081				
PBX Succession Signaling Server			4,500					5,081				
Digital telephone set conversion												
Battery Chargers-Rectifiers				70,000								
Battery Backup System - 48 VDC string					15,000							
Power Inverter 48 VDC to 120 VAC					2,500							
Halon Fire Suppression system												
Voice Messaging System					200,000							
Recorded Announcers		21,100										
Automated Attendent System				50,000								
Cable Infrastructure Upgrades	21,546											
IT Data Equipment												
Future Initiatives						50,000			50,000			50,000
Miscellaneous Expense		315										
Transfer to IT Data Capital Plan	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883	55,883
Total Expenditures	101,249	149,017	98,083	195,522	305,186	107,604	87,895	127,853	138,112	57,780	88,337	107,874
FUND BALANCE												
(Prior Yr Bal + Rev - Exp + Proc - Payments)												
Loan Proceeds		93,847	0	138,000	215,000	50,000	0	60,000	50,000	0	0	50,000
Loan Payments		40,052	11,991	22,451	46,605	65,990	71,681	77,505	89,020	89,858	79,314	79,314
Ending Fund Balance	199,665	237,819	253,691	300,060	290,771	294,446	262,230	243,428	192,382	169,554	126,142	112,107

ITEM 137-1901-R0907

Restructure of Campus Parking Permit System; The University of Montana – Helena College of Technology

THAT:

The Montana Board of Regents of Higher Education hereby authorizes The University of Montana – Helena College of Technology (UM-Helena) to restructure its existing campus parking permit system by eliminating the current permit system and replacing it with a mandatory annual parking/access fee that will be charged to all UM-Helena students, staff, and faculty desiring to park on campus property.

EXPLANATION:

At the present time, students, staff, and faculty are required to possess on-campus parking decals, which are distributed to them at no charge. Because of the expansion of both campuses that has taken place during the past year, and because UM-Helena is located across the street from a high school whose students often use college parking spaces, the campus needs to ensure that its parking spaces are being used only by UM-Helena students, staff, and faculty. By restructuring the current parking permit system, all students, staff, and faculty desiring to park on campus property will be charged an annual parking/access fee of \$10.00, which will be effective for the fall, spring, and summer semesters.

In accordance with Board of Regents' policy 940.11 – Motor Vehicle Registration Fees, monies received from this fee will be used for the development and improvement of parking lots and to strengthen the campus traffic control.

This new system will also allow UM-Helena to monitor parking more closely and assess fines on offenders. In accordance with Board of Regents' policy 1002.1, Vehicle Regulations and Parking, campuses of the Montana University System are authorized to enforce rules and regulations concerning the parking and operation of vehicles upon the grounds, streets, drives, and alleys of each campus. With the exception of a \$100 fine for parking illegally in a designated parking zone reserved for a person with a disability, fines for violations of campus parking and vehicle regulations may be assessed in amounts not to exceed \$10.00 per offense.

ITEM 137-1901-R0907 (continued)
Page 2

Also in accordance with Board of Regents' policy 940.11 – Motor Vehicle Registration Fees, regarding consultation with the campus student governance organization, staff, and faculty, UM-Helena Policy 600.5, Parking on College Property, is currently moving through the college's policy approval process, which includes campus-wide distribution for input and comments prior to final approval and signature by the Dean/CEO.



The University of Montana-Helena
COLLEGE OF TECHNOLOGY

DRAFT

Policy Number: 600.5

Policy Title: Parking on College Property

Subject: Section 600. Physical Plant

Date Adopted:

Date(s) Revised:

Approved by: _____
Daniel J. Bingham, PhD
Dean/CEO
The University of Montana – Helena
College of Technology

POLICY STATEMENT:

The University of Montana – Helena College of Technology (UM-Helena) is committed to maintaining safe and accessible campuses for its students, staff, faculty, and visitors. Consistent with the policies set forth by the Montana Board of Regents of Higher Education ([Policy 940.11](#) and [Policy 1002.1](#)) and Montana Code Annotated ([Title 20. Education](#), [Title 61. Motor Vehicles](#), and [Title 17. State Finance](#)), UM-Helena Policy 600.5 has been established to regulate parking on all UM-Helena campuses. This policy applies to all UM-Helena students, staff, faculty, and visitors, and replaces any existing related UM-Helena policies.

All UM-Helena college policies shall adhere to and be consistent with relevant federal and state laws, rules, and regulations; with Board of Regents’ policies and procedures; and with The University of Montana’s policies and procedures.

PROCEDURES:

1. General Guidelines

- 1.1. State, County, City, and UM-Helena policies, ordinances, and regulations are enforced on UM-Helena property 24 hours a day, seven days a week (unless otherwise posted).
- 1.2. All vehicles parking in permit areas must display a current permit. Any form of permit that is damaged, illegible, hidden, taped, expired, improperly located or displayed, or reported lost/stolen is considered invalid and may subject the vehicle's owner to receiving a citation or having the vehicle clamped or towed.
- 1.3. Moving violations may be prosecuted in City or County court. Driving motor vehicles on other than authorized roads, driveways, or parking areas will be considered moving violations.
- 1.4. Parking privileges may be suspended for one academic year for misuse of parking permits or for habitual offenders of parking and traffic regulations (see Parking Violation Fines, Section 5). The placement of parking citations is considered proper notification of any violations.
- 1.5. These regulations are enforced in their entirety. It is the responsibility of those using college parking facilities to acquaint themselves with their content. Those unaware of these regulations will not be considered in appeals.

2. Purchasing and Displaying Parking Permits

- 2.1. All students, staff, and faculty desiring to park on campus property will be charged an annual parking/access fee of \$10.00, which will be effective for the fall, spring, and summer semesters. Revenue generated from this fee will be used for the development and improvement of parking lots and to strengthen the campus traffic control.
- 2.2. Window permits must be permanently affixed to or easily visible in the driver's lower left side of the front windshield.
- 2.3. Hanging permits must be hung on the rear view mirror, permit side facing out/forward for easily visibility.

3. Parking on College Property

- 3.1. No parking is allowed on campus without current or temporary licensing and registration, to include expired license plates and vehicles failing to properly display a license plate. Such vehicles may be towed and/or fined for "no parking."

- 3.2. No parking will be allowed within the fenced-in area of the Airport Campus. This will include any area behind equipment and buildings. This area may be used for loading and unloading equipment only. This applies to all noncollege-owned vehicles.
- 3.3. No person shall stop, stand, or park any vehicle that impedes traffic or creates a potential safety hazard unless directed to do so by a police officer, traffic control device, or other appropriate authority.
- 3.4. Falsifying any information whatsoever on a vehicle or license number shall result in a fine and/or revocation of parking privileges for the remainder of the academic year (constitutes nonacademic misconduct within Student Conduct Code).
- 3.5. When parking, the entire vehicle must be situated within the marked boundary of the parking space. The fact that another vehicle has improperly parked does not constitute an excuse for any other vehicle to likewise improperly park. Vehicles may not be backed into any angled parking spaces.
- 3.6. While parked on UM-Helena property, no vehicle shall undergo any repairs or maintenance, including oil changes.
- 3.7. Pedestrians have the right of way on sidewalks and in crosswalks.
- 3.8. Without authorization from the Assistant Dean/Fiscal & Plant, no barricades shall be moved and no vehicles may operate or park in an area that is closed by the use of barricades. Violators are subject to being issued a citation and towed.
- 3.9. Driving motor vehicles on property other than authorized roads, driveways, or parking areas is prohibited without prior permission from the Assistant Dean/Fiscal & Plant.
- 3.10. The office of the Assistant Dean/Fiscal & Plant is the authority that administers and enforces parking regulations. Questions about parking should be referred to this office.
- 3.11. Faculty, staff, and students of UM-Helena, as well as visitors, shall be subject to such fines and penalties as listed in these regulations.
- 3.12. The University of Montana – Helena College of Technology is not responsible, by state law, for damage to, or theft of, the personal property on campus. Faculty, staff, and students are encouraged to adequately insure their personal property and protect their property by appropriately securing their personal items and taking other simple precautions to prevent theft and damage.
- 3.13. These regulations may be amended at any time and become effective by order of the Dean/CEO. Notice shall be posted on the college's web site and published in campus and/or local newspapers once a week for three consecutive weeks.

4. Special Occasions/Emergencies

- 4.1. For special occasions or major public events, and in emergencies, parking limitations may be imposed by the Assistant Dean/Fiscal & Plant as required by prevailing conditions.
- 4.2. Any exceptions for special occasions must be authorized in advance by the Assistant Dean/Fiscal & Plant.
- 4.3. Disabled vehicles must be reported to the Assistant Dean/Fiscal & Plant immediately. If reported, up to 24 hours may be granted for campus parking while arrangements are made to move or remove the vehicle. A vehicle creating a hazardous situation must be removed immediately.
- 4.4. Arrangements for parking trailers, buses, and large vehicles must be made with the Assistant Dean/Fiscal & Plant in advance of using campus parking facilities.
- 4.5. Any accident involving a vehicle on UM-Helena property must be reported immediately to the Assistant Dean/Fiscal & Plant.

5. Parking Violation Fines

- 5.1. Montana statute regulations ([MCA 20-25-312](#)) and the Montana Board of Regents of Higher Education ([Board Policy 1002.1](#)) authorize The University of Montana – Helena College of Technology to levy fines against all individuals in violation of parking, traffic, and registration regulations.
- 5.2. Students with outstanding parking fines on registered vehicles will be billed on their student accounts. Students not registering vehicles are responsible for fine payments from the issuance of the citations.
- 5.3. Pending payment of fines, a student will not be able to register for classes, and transcripts will be withheld. Fines not paid or timely appealed by faculty and staff will be withheld from amounts owed to them. This paragraph serves as official notification of actions that may be taken ([MCA 17-4-105](#)). Failure to identify vehicles that are used by students, staff, or faculty in no way releases the driver from obligation of payment.
- 5.4. All violations are classified as follows:

VIOLATION TYPE	FINE
No Decal	\$10.00
Improper Parking	\$10.00
Expired Registration	\$10.00
Yellow Curb	\$10.00

Special Permit	\$10.00
Reserved Parking	\$10.00
No Parking Zone	\$10.00
Fire Lane	\$10.00
False Registration	\$10.00
*DISABILITY MCA 49-4-307 and Board of Regents' Policy 1002.1 Disability space includes hashed access-way.	\$100.00

6. Vehicle Towing

- 6.1. Vehicles in violation may be towed at the owner's expense from the following areas:
- Disability Parking
 - Fire Lanes
 - Hydrants
 - Loading Zones
 - Shop Doors
 - Reserved for Service Vehicles
- 6.2. Vehicles can be towed, impounded, and stored, at owner's expense and risk, under any of the following circumstances:
- 6.2.1. Any vehicle left in a position that endangers public safety, interferes with vehicular or pedestrian traffic, interferes with college functions or operations, or which could cause harm to UM-Helena property. Examples include parking on grass, in construction areas, or in contact with buildings, fences, signs, poles, etc.
- 6.2.2. Vehicles of habitual offenders may be towed or immobilized at any time without warning. A habitual offender is anyone who has college parking violations totaling \$80.00 or more. Authority to immobilize vehicles as a substitute for having vehicles towed will be at the direction of the Assistant Dean/Fiscal & Plant. Vehicles will be immobilized only once during the fiscal year; further infraction will result in towing. Release fees, as well as all fines, must be paid in full with cash or credit card for vehicle release. Vehicles will be towed at the owner's expense to an off-campus storage facility with a daily storage fee.

- 6.2.3. A vehicle is presumed abandoned under state statute [MCA 61-8-356](#), which sets a maximum time limit for parked vehicles of no more than 48 hours on streets, and 5 days on other City, County, or State property.
 - 6.2.4. Any vehicle that is parked in areas closed for use. Such areas will be indicated with the use of barricades.
 - 6.2.5. Wherever possible, areas subject to towing will be clearly marked as established by [MCA 61-8-206](#). UM-Helena is authorized to tow vehicles under [MCA 20-25-312](#). Any towing that has taken place under this provision may be subject to review by the Traffic Appeals and Review Committee. All outstanding fines must be paid in full for vehicle release.
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ITEM 136-102-R0907

Approval of College Savings Bank InvestorSure CD as a Product Choice, Family Educational Savings Program

THAT:

The Board of Regents of Higher Education, as trustee of the Montana Family Education Savings Program and in accordance with Board of Regent Policy 950.2 and Montana law at §§ 15-62-203 and 20-25-902, approve the InvestorSure CD in accordance with the conditions set forth in this Item.

EXPLANATION:

The Board of Regents is responsible for adding and removing investment products based upon the recommendation of the College Savings Program Oversight Committee. The committee is recommending the approval of the new InvestorSure CD based upon these conditions:

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.

InvestorSure CDTM *for college*

Presented to the Montana Board of Regents
By College Savings Bank
September 19, 2007



Product Description

- 85% to 100% of the average increase in the S&P 500
- Principal protection
- FDIC insurance
- Initially issued quarterly
- Initially offered at a 5-year maturity
- Historically profitable

Product Benefits

- One of the largest selling CD types in the US
- Free of enrollment fees & the Bank will pay broker fees up to 1.25%
- Offers the upside of the equity market without the risk of principal loss
- Averaging further protects investors from negative market swings
- Features all 529-Plan tax benefits

Product Disclosure



- If the market declines, Investors may be limited to receiving only principal invested upon maturity
- Early withdrawals will only be permitted once a year, with interest credited and a 10% principal penalty
- The participation rate will vary between offerings from 85% to 100%, but will 'lock in' for that specific offering

- The Bank will invest an additional \$300,000 to announce the InvestorSure CD during November and December along with \$300,000 in 2008
- The Bank will market the CollegeSure CD and InvestorSure CD side by side so investors can compare the two products
- Key messages:
 - “One of the largest selling CDs in the US has come to Montana’s 529 college savings plan”
 - “Featuring the upside of the equity market without the risk of principal loss”
 - “An alternative, or complimentary investment to the CollegeSure CD”

Historical Rate of Return



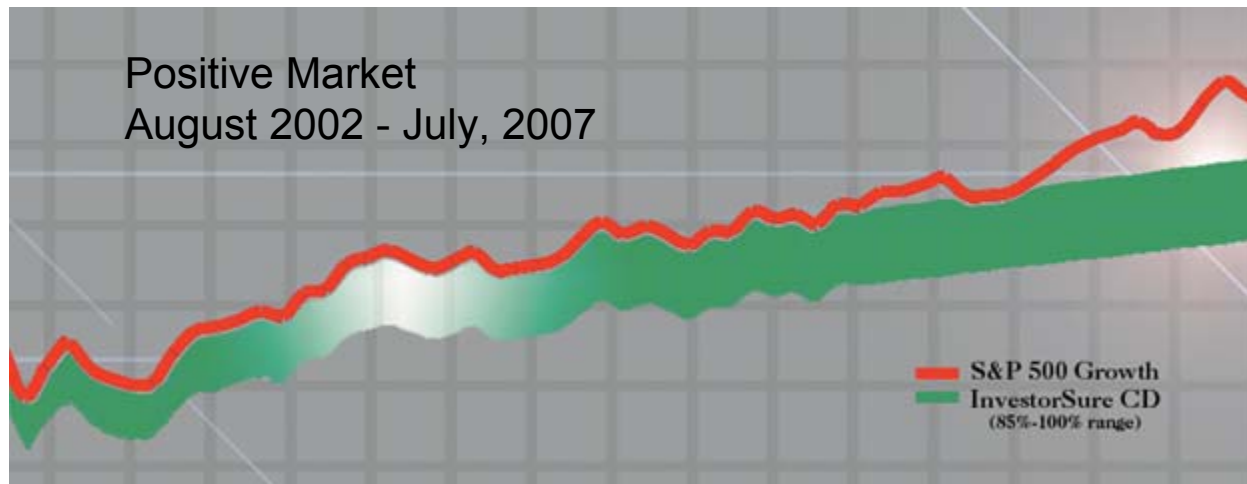
Previous 12 Offerings			
Issue Date	Payout Date	Total Interest: InvestorSure CD (100%)	Total Interest: InvestorSure CD (85%)
Sept. 01	Aug. 06	9.57%	8.13%
Oct. 01	Sept. 06	19.99%	16.99%
Nov. 01	Oct. 06	18.84%	16.01%
Dec. 01	Nov. 06	11.65%	9.90%
Jan. 02	Dec. 06	11.85%	10.07%
Feb. 02	Jan. 07	14.77%	12.55%
Mar. 02	Feb. 07	18.03%	15.33%
Apr. 02	Mar. 07	14.76%	12.55%
May 02	Apr. 07	23.51%	19.98%
June 02	May 07	26.24%	22.30%
July 02	June 07	37.45%	31.83%
Aug 02	July 07	50.56%	42.98%

Historical Return		
Date Range	Average APY InvestorSure CD (100%)	Average APY InvestorSure CD (85%)
Aug. 1977 - July 2007	9.78%	8.31%
Aug. 1987 - July 2007	11.25%	9.56%
Aug. 1997 - July 2007	10.79%	9.17%

Over the previous 20-years, issued monthly, the InvestorSure CD would have returned investors full principal on 39 occasions when a similar, but unprotected 5 year investment indexed to the S&P 500 lost money.

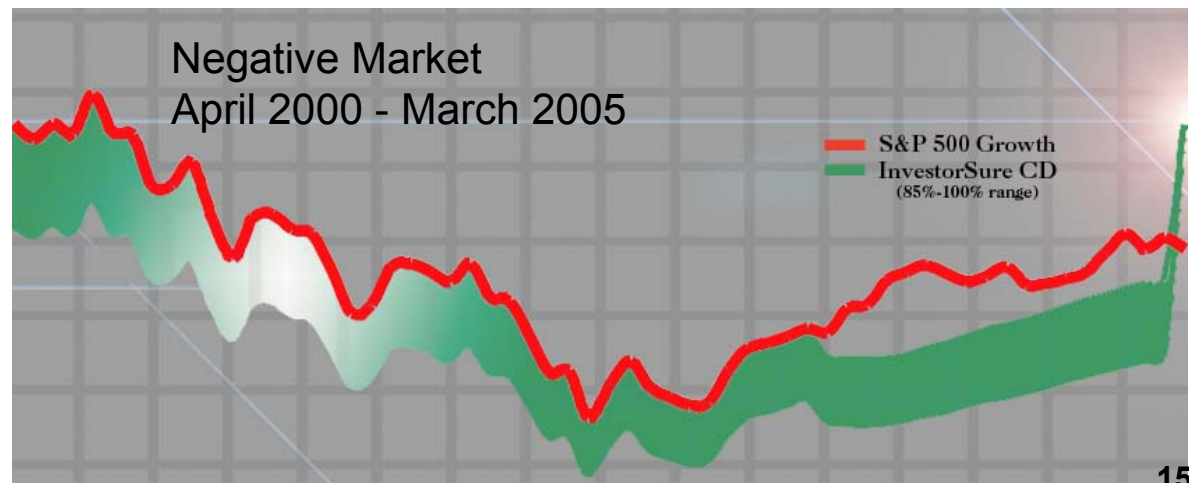
Historical Rate of Return

The following charts demonstrate ROI in both a positive and negative market.



For the period measured, the S&P 500 grew from 916.07 to 1,477.01. The InvestorSure CD would have yielded 50.56% at full participation or 42.98% at (.85) participation. The taxable equivalent average APY within the MFESP would have ranged from 14.04% to 11.94%.

For the period measured, the S&P 500 lost value, declining from 1,452.43 to 1,180.59. The InvestorSure CD would have returned full principal regardless of the participation rate, while the S&P 500 lost 21.22%.



Questions

ITEM 136-101-R0907

Revision of Board of Regent Policy 501.3, The Governor's Postsecondary Scholarship Program.

THAT:

The Montana Board of Regents of Higher Education hereby revises Policy 501.3, the Governor's Postsecondary Scholarship Program, to reflect statutory changes enacted by the Montana Legislature in the 2007 Special Session.

EXPLANATION:

The Office of the Commissioner of Higher Education and the Montana Guaranteed Student Loan Program, working jointly with the Governor's office, requested changes to this scholarship program to allow for more effective and efficient administration of the program. The Legislature revised the program and the new Board of Regents policy incorporates those statutory changes. The Governor's Postsecondary Scholarship Advisory Committee and the Commissioner of Higher Education recommend these changes. The significant changes to the policy are as follows:

1. A showing of financial need will generally no longer be required for merit scholarship recipients.
2. Need-based recipients can receive a scholarship without being enrolled full time. Only merit recipients must be enrolled full time.
3. Students are eligible providing they have not already received a first certificate, associates, or baccalaureate degree. The prior policy had this requirement, but also required the student to be an entering freshman. Many non-traditional students have some college, but not a degree.
4. All merit scholarships are now worth \$2,000 a year. In the previous policy, only a few merit scholarships were worth \$2,000. Merit scholarships may be renewed and may be transferred between eligible campuses.
5. Need-based scholarships have a maximum value of \$2,000 over 2 years; all merit scholarships have a maximum value of \$8,000 over 4 years. This policy allows scholarships to be renewed and transferred between eligible campuses.
6. High school principals, or their designees, now select the high school recipients. The statute provides for at least one merit scholarship for each high school each year. Now the high schools can make the selections based on criteria in the policy.

7. Students are required to enroll during the next chronological semester or term. Recipients no longer have nine months to enter a postsecondary institution. The delay caused a variety of funding and tracking issues.
8. The Commissioner of Higher Education will determine the specific areas of targeted study. A purpose of the statutory Governor's Scholarship Program is to promote economic development. The Commissioner, working in conjunction with the Governor's office, the Department of Labor, and the Office of Public Instruction, will advise MGSLP of the specific areas of study which qualify for need-based scholarships.
9. Scholarship funds may be used toward the cost of attendance. Scholarships had only been for tuition. This change allows all qualifying expenses to be covered, such as books, room and board, etc.
10. Postsecondary institutions may reallocate some scholarships without first returning those funds to MGSLP. Some scholarships always revert due to ineligibility or non-renewal. Instead of delaying and complicating the process, schools may directly re-award some scholarships if qualified students are available.

The scholarship program should be more streamlined and efficient under these new rules. The Governor's Advisory Council was involved in the proposed changes and recommends their adoption.

ATTACHMENT:

Policy 501.3 – Governor's Post-Secondary Scholarship Program

**MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual**

SUBJECT: STUDENT AFFAIRS

Policy 501.3 – Governor’s Post-Secondary Scholarship Program

Revised September 20, 2008; Issued _____

A. Board Policy

1. The Governor’s Postsecondary Scholarship Program (the Program) was created by §§ 20-26-601 through 20-26-613, MCA. The purpose of the Program is to provide scholarships on the basis of need and merit to Montana residents toward the cost of attendance at qualifying two-year and four-year postsecondary institutions and to allocate some of the scholarships to specific areas of study that promote economic development or address critical workforce shortage areas in Montana.

2. A Governor’s Scholarship Advisory Council appointed by the Governor will assist the Board of Regents of Higher Education in administering the scholarship program. The Commissioner of Higher Education, under the authority of the Board and in consultation with the Council, shall administer the Program under the terms of this policy. The Montana Guaranteed Student Loan Program (MGSLP) will facilitate this program on behalf of the Office of the Commissioner of Higher Education.

B. Eligibility. A student is eligible to receive a Governor’s Scholarship providing the student:

1. Is a resident of the State of Montana;
2. Has been accepted by or is enrolled at an eligible Montana postsecondary institution;
3. For scholarships based upon financial need, has completed the Free Application for Federal Student Aid (FAFSA) form and does not have an expected family contribution (EFC) exceeding the cost of attendance at the postsecondary institution the student will or is attending;
4. For scholarships based upon merit, has obtained a high school GPA of at least 3.0 or a score of at least 20 on the ACT or 1440 on the SAT college admission test; and be enrolled full-time at an eligible postsecondary institution;
5. Has not been awarded a Montana University System Honor Scholarship for the same period of enrollment;
6. If applicable, has met the Title IV selective services registration requirements;
7. Is not in default on a Title IV or state of Montana education loan;
8. Does not owe a refund to a federal Title IV or state of Montana student financial aid program;
9. Is not incarcerated;
10. Is seeking a first certificate, associate, or baccalaureate degree at a qualifying Montana postsecondary institution.

C. Categories of Scholarships

The Program will award three categories of scholarship: merit-based awards to graduating high school seniors, merit-based awards to at-large applicants, and need-based awards.

1. Merit-based awards to graduating high school seniors: Each accredited Montana high school, including accredited nonpublic high schools, is eligible to award at least one Governor's Scholarship for merit annually in the amount of \$2,000, to a graduating student in accordance with Title 20, Chapter 26, Part 6, MCA.

2. Merit-based awards available to at-large applicants: MGSLP will award Governor's Scholarships annually in the amount of \$2,000 each, based on merit in accordance with Title 20, Chapter 26, Part 6, MCA.

3. Need-based awards: MGSLP will allocate Governor's Scholarships annually to eligible postsecondary institutions in the amount of \$1,000 each, to be awarded based on financial need in accordance with Title 20, Chapter 26, Part 6, MCA.

D. Eligible Institutions

Recipients of a Governor's Scholarship may utilize the award at any of the following eligible postsecondary institutions: (1) a campus of the Montana University System, as defined in § 20-25-201; (2) a Montana community college, defined and organized as provided in § 20-15-101; (3) a two-year, accredited tribal community college located in the state of Montana or a four-year accredited tribal college located in the state of Montana; or (4) a private, not-for-profit college, under the following conditions: if donations to the Program from private sources are designated for a Montana private nonprofit private educational institution, as defined in § 15-30-163(3)(b), the scholarship may be used at the designated institution, subject to the same award, eligibility and renewal requirements as for recipients attending eligible postsecondary institutions.

E. Procedures

1. Merit-based awards to graduating high school seniors.

a. A high school principal, or the principal's designee, will select recipients from his or her high school based upon the eligibility criteria described in § B-4 of this policy utilizing the methodology set forth in Regents Policy 501.1(A)(2). The computation of actual grade point averages shall be as of the end of the 7th semester of high school or, in the case of a student graduating in three years, at the end of the 5th semester of high school. To remain eligible the student must maintain a 3.00 or higher GPA through the completion of high school.

b. If a recipient decides not to attend an eligible campus, the student should relinquish the scholarship at once. If the scholarship is relinquished prior to May 15th of the award year, the principal or designee may award the scholarship to the next ranking eligible member of the same graduating class. Such recipient will be subject to the same restrictions as all other scholarship recipients.

2. Merit At-Large Scholarships

a. Eligible students must apply for the scholarship. To be eligible to receive an at-large scholarship, a student must apply to and be accepted by an eligible postsecondary institution and may be required to complete a FAFSA. The student must also submit a completed scholarship application to the MGSLP not later than March 31 of the award year. Failure to meet these requirements will disqualify the student for an at-large scholarship.

b. MGSLP will award scholarships based upon any or all of the following criteria:

- (1) The applicant's high school grade point average;
- (2) The applicant's coursework;

- (3) The applicant's ACT or SAT results;
- (4) The applicant's extra-curricular activity;
- (5) The applicant's community service or volunteer work;
- (6) The applicant's financial need;
- (7) The impact a scholarship would make for the applicant's college attendance;
- (8) The compelling nature of the applicant's circumstances;
- (9) Enrollment in a two-year associate or certificate program;
- (10) References or other requirements, as required by MGSLP.

3. Need-based awards

a. The MGSLP will allocate need-based awards each year to eligible postsecondary institutions based upon the most recent full time equivalent enrollment information available to the MGSLP. Each eligible postsecondary institution will receive a minimum of five need-based scholarships, regardless of the actual FTE calculation.

b. The Commissioner of Higher Education will determine the specific areas of study that promote economic development or address current or projected critical workforce shortage areas. MGSLP will advise each postsecondary institution of the specific number of general, health science, technology, or trades scholarships it may award. An eligible campus will obtain approval from MGSLP to re-award the scholarships if the campus is unable to award the specified health science, technology, or trades scholarships prescribed.

c. The financial aid office at each postsecondary institution shall be solely responsible for identifying and awarding need-based scholarships. No standard criteria will be used for selecting candidates other than the primary consideration of financial need. Because many students have an EFC of zero, institutions may use any or all of the following guidelines for identifying need-based students:

- (1) The ability of the student to benefit from the scholarship;
- (2) The status of the student as a first generation or non-traditional college student;
- (3) The impact a scholarship would have on a student's debt-load, need to work; while attending college, or ability to remain in the state of Montana after graduation;
- (4) The past academic performance of the student;
- (5) Other compelling circumstances.

F. Renewal of Scholarships

Contingent upon the availability of funds, the Governor's Scholarship is renewable annually provided the student meets, at a minimum, satisfactory academic progress. Awards to students attending four year institutions may be renewed for no more than eight consecutive semesters. The total value of a merit-based scholarship over eight semesters shall not exceed \$8,000. Awards to students attending two year institutions may be renewed for no more than four continuous semesters. The total value of a need-based award over four semesters shall not exceed \$2,000. The total value of a merit award at a two-year institution over four semesters shall not exceed \$4,000, provided, however, that the recipient of a two-year merit scholarship may petition in writing to MGSLP by March 31 of the award year for an extension of that award up to a maximum of four additional semesters on the following conditions: (1) the student has transferred to an eligible four-year institution; (2) is enrolled full-time; and (3) all other terms and requirements of this policy have been met.

G. Transferability

The Governor's Scholarship is transferable between eligible campuses upon proper transfer, notification of MGSLP, and continued adherence to all eligibility requirements.

H. Funds: Authorization to Distribute Funds

1. Except for funds donated from private sources, the obligation for funding the Program is an obligation of the State. The Board of Regents is not required to provide a scholarship to an eligible student without a line item appropriation to the Board for this purpose.

2. If the line item appropriation is insufficient to fully fund the Program, qualified recipients seeking renewal of their scholarships will have priority for available funds.

3. If the line item appropriation is insufficient to fully fund the Program, the number of scholarships will be reduced, but individual award amounts will remain unchanged (i.e. the award amount will remain \$1,000 or \$2,000 depending upon the category of scholarship).

4. Funds from a scholarship must be used toward the cost of attendance at a qualifying postsecondary institution and may not be used to pay for remedial or college-preparatory course work. Each Governor's Scholarship will be distributed directly to the postsecondary institution in installments at the beginning of each term (semester or quarter) that corresponds with the terms of the institution's academic year, for payment toward the recipient's cost of attendance.

I. Provisions Applicable to All Awards

1. Recipients of a Governor's Scholarship are not precluded from receiving other financial aid, awards, or scholarships, except as required by federal or state law or board policy.

2. A recipient must use his or her Governor's Scholarship during the next chronological semester or term (excluding summer) after being awarded the scholarship.

3. A recipient who is assigned to active military duty does not lose his or her eligibility or right to renew the scholarship by that reason during such tour of active duty, provided he or she returns to school within nine months of discharge from active military duty; all other eligibility requirements apply.

4. Recipients are limited to one category of award (i.e. one merit, need-based, or at-large scholarship).

5. A Governor's Scholarship may be used as payment toward classes taken on-line if those on-line classes are considered part of the home campus cost of attendance.

J. Reversion of Scholarships To MGSLP

1. If a Montana high school has no graduates who qualify for a scholarship, the scholarships revert to MGSLP and may be reallocated to any category of scholarship at the discretion of the MGSLP.

2. If a recipient loses eligibility, postsecondary institutions may revert the money to MGSLP for reallocation or, providing the institution has need-based students meeting the Program eligibility requirements, may directly re-award to those qualifying students.

K. Reports

1. High schools will report to MGSLP not later than May 15 of each year the names of scholarship recipients, including which institution the recipients will attend.

2. Postsecondary institutions will report to MGSLP not later than October 31 of each year the recipients and their courses of study for all Governor's Scholarships.

3. MGSLP will present to the Advisory Council a list of all recipients awarded Governor's Scholarships, by categories of scholarship, by postsecondary institution attended and by course of study, where applicable, for the Council's review. The report will be provided to the Board of Regents each year.

L. Appeals.

Scholarship awards are not subject to appeal, however recipients may appeal termination or non-renewal of their awards to the Commissioner of Higher Education, based on the showing of extenuating circumstances. The Commissioner's decision will be final.

ITEM 136-119-R0907

Revision of Policy 940.20, Annual Tuition & Fees for eLearning

THAT:

The Board of Regents authorize the campuses of the MUS to:

- Determine a methodology that allows the campus to identify those students who are not residing proximate enough to the campus to easily or regularly utilize the services that are funded by the Mandatory Fees waived under No. 4 of the Policy;
- Exempt the application of the Policy for the waiver of select Mandatory Fees for those solely online students who are proximal enough to the campus to be able to avail themselves to the campus services, that would otherwise not be assessed or paid for by the student under this Policy.

EXPLANATION:

This policy clarification will allow each of the campuses to make a local determination of whether they wish to assess the full range of Mandatory Fees for the solely online students enrolled at their institution and residing close enough to the campus to be able to consume the services funded with the respective Mandatory Fees. In practice, some campuses have noted that a significant number of their solely online students are actually residing on campus or close enough to campus that the students are availing themselves to those services, but are not paying for them under this Policy, as a solely online student.

The spirit of the Policy is to not assess the identified Mandatory Fees to those solely online students that reside distant enough from campus that they are not able to available themselves to the services funded by those fees. This clarification further strengthens and reinforces that spirit by allowing the campuses to individually determine whether those fees should be assessed to those students who reside close enough to the campus (based upon zip code or county seat where the student resides during the academic semester, for example) to easily or regularly consume the services, regardless of whether they do or not.

The campuses will be requested to report their basis for the blanket waiver of this policy as it applies to students who reside "locally," in the annual report on Distributed Learning, under BoR Policy 303.7.

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION

Policy and Procedures Manual

ITEM 136-119-R0907 Policy

PAGE: 940.20 (1 of 1)

SUBJECT: FINANCIAL AFFAIRS

Effective: Fall Semester 2007

Section: 940.20 Annual Tuition and Fees for
e-learning; Montana University System

Issued: January 30, 2007

Approved:

Board policy:

1. Approval of a schedule of tuition and fees, and each request to approve tuition or fees for solely on-line students will be done concurrently with the submittals for on-site students, as set forth in Policy 940.12.1.
2. Tuition rates for solely on-line non-resident students shall be set at no less than 200% of the proposed resident student tuition rates. This policy imposes no ceiling for the non-resident tuition rates for solely on-line non-resident students, nor does it prohibit the campus from utilizing, as appropriate, the Western Undergraduate Exchange program tuition rate for qualified non-resident students who are studying solely on-line.
3. Regardless of residency status, students who are on-site, but who are also taking campus on-line courses will be assessed the tuition and fees for all courses as if they were all taken on-site, plus the addition of any applicable Non-mandatory *eLearning* or on-line delivery fee.
4. The campuses registering resident and non-resident students who are taking solely on-line courses shall waive a minimum of the following selected campus Mandatory Fees for those students that the campus identifies as not residing proximate enough (based upon zip code, county seat, etc.) to the campus to actually utilize the services funded by the following Mandatory Fees:
 - a) Student Activity and Student Government Fees;
 - b) Student Athletic Fees;
 - c) Student Health and Dental Fees; and
 - d) Other Fees not related to Technology Fees, Academic Support Fees, or Building Fees, that are for student-based activities which a solely on-line student cannot access or utilize.
 - e) Additional Mandatory Fees may be waived by the campuses at their discretion in order to respond to the higher education on-line market pricing and competition.
5. Campuses, at their discretion, may offer solely on-line students the opportunity to pay any or all of the above fees listed in item No. 4, on a positive check-off basis.
6. This policy applies only to State-supported, credit bearing courses that are delivered entirely on-line to the solely on-line student that the campus has determined will generally not be able to consume the service(s) funded by the waived fees.
7. Campus policies regarding the residency status of a student shall govern whether a solely on-line student is identified as a resident or a non-resident student for tuition and fee purposes, in the same manner in which on-site students are identified.
8. This policy rescinds all previous Regents' policies that were approved for on-line tuition and fees, except for those related to the delivery of specific academic programs of on-line study.

Definitions:

A solely on-line student is defined as one who is taking only web-based, State supported, academic credit bearing courses offered through a unit of the Montana University System. Excluding Continuing Education or Self-Supporting courses and non-credit bearing courses, any on-site course which requires a face to face meeting with the faculty or course instructor is not considered a solely on-line course.

History:

In further development of Item No. 133-110-R1106 (Nov. 2006) and rescinds Item No. 120-2005-R0703 (July 2003).

ITEM 136-1502-R0907

Authorization to Exchange Lots Adjacent to the North Campus, Montana Tech of The University of Montana-Missoula

THAT:

Pursuant to Board of Regents Policy 1003.6, the Board of Regents of Higher Education authorizes Montana Tech of The University of Montana to exchange two parcels of land adjacent to the Montana Tech North Campus for two parcels owned by Virginia A. Kebe located just east of Montana Tech's North Campus.

EXPLANATION:

Land Exchange

Montana Tech of The University of Montana owns two parcels of land immediately adjacent to the North Campus of Montana Tech: Lot 12 – Block 5 of the Caplis Heights Addition (“Lot 12”) and the North part of Tract V of Certificate of Survey 832 A (“Tract V”). Lot 12 is a 2,167 sq. ft. triangular parcel located between two parcels owned by Virginia Kebe and would be very difficult for Montana Tech to use for any productive or useful purpose. The Tract V parcel is located at the top of a very steep embankment and would also be very difficult for MT Tech to use. A limited appraisal of the two lots conducted on July 22, 2007 shows a total fair market value of \$11,009.

Virginia A. Kebe owns two parcels of land just east of the North Campus of Montana Tech: Lot 3 of the Lawlor Addition (“Lot 3”) and Lot 11 of the Stanley Addition (“Lot 11”). Lot 3 and Lot 11 are legally two separate parcels, but form one continuous parcel with frontage on Park Street, just east of the Walking Trail and Arch. This parcel could be used by MT Tech as a parking lot. A limited appraisal on these two lots conducted on July 22, 2007 shows a total fair market value of \$15,571.

Required Appraisals

BOR Policy 1003.6 (II) addressing land exchanges and M.C.A. 20-25-307 (3) addressing the disposal of MUS lands both state an appraisal of the property must be conducted prior to its exchange or disposal. Both the BOR policy and the Montana statutes allow use of the lower cost limited appraisal if the market value of the land is less than \$10,000.

In this instance, the appraised value of the property currently owned by MT Tech and the property currently owned by Kebe exceeds the \$10,000 threshold. However, a close examination of the limited appraisals conducted shows a lack of comparable data for these parcels. (*See Exhibit 1*

attached.) Both appraisals clearly state: “Prior sales and current listings are non existent for this type of property. Therefore, no vacant land comparables are used.” Therefore, even if a full appraisal had been used, the valuations would have been very similar, if not identical, to the limited appraisals because the lack of market comparables forced the appraiser to use courthouse records as a basis of determining values.

Based on the cost savings to MT Tech of using a limited appraisal and the fact that the fair market value of the limited appraisals were likely reflective of the fair market value of a full appraisal given the lack of comparable sales data in the Butte market, legal counsel from the Office of the Commissioner of Higher Education and Montana Tech of The University of Montana have accepted the fair market value estimates of the limited appraisals for purpose of meeting the requirements of Board of Regents Policy 1003.6 and M.C.A. 20-25-307.

Public Notice/Request for Hearing

MT Tech published a public notice regarding the proposed transaction in the *Butte Standard* on August 8, 15, 22, and 29th. The notice included contact information at MT Tech in the event any person requested a public hearing on the proposed transaction. As of August 21, 2007, no such request has been received.

Full Market Value

The property being acquired by MT Tech (Lot 3 and Lot 11) have a higher value than the lots being exchanged (Lot 12 and Tract V). Therefore, MT Tech is receiving full market value for the land being conveyed. As noted above, because of the particular “development-unfriendly” nature of the land being conveyed by MT Tech and the potential parking lot use of the land being acquired by MT Tech, the exchange is in the best interest of the Montana University System.

Review by Board of Land Commissioners

Subsequent to Board of Regents approval and prior to closing the proposed land exchange transaction, the proposal will be submitted to the Board of Land Commissioners for review.

ATTACHMENTS:

Exhibit 1 (limited appraisals of the parcels being conveyed and acquired)

DESKTOP APPRAISAL REPORT
Restricted Use, Limited Appraisal

File No.: techproptexchange1
Loan No.:

FOR INTERNAL RISK ANALYSIS
VALUE ESTIMATED FROM PUBLIC RECORD AND MLS DATA ONLY

Intended Purpose: Portfolio Evaluation QC/Audit Junior Lien REO/Foreclosure Other: Property exchange

Data Source(s) Used: Tax Record Appraiser Files MLS Other: _____

Interest: Fee Simple Leasehold

CLIENT AND PROPERTY IDENTIFICATION

Client/Lender: Dr. W. Frank Gilmore, Montana Tech Address: 1300 W. Park Street, Butte, MT 59701

Borrower/Applicant: _____ Client Contact: Mike Johnson

Property Address: Tract V & Lot 12 Caplis Heights City: Butte State: MT ZIP: 59701-

Census Tract: 0002.00 APN: Undetermined County: Silver Bow

Property Type: Tract SFR Custom Condominium Townhouse Other: Land

MARKET AREA AND COMPARABLES

Market Value Trend: Increasing Stable Declining

Typical Market Price Range: \$ _____ NA to \$ _____ NA

Typical Market Property Age: _____ NA years to _____ NA years

Estimated marketing time for the subject property: Under 3 months 3-6 months Over 6 months

FEATURE	SUBJECT	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3
Address	Tract V & Lot 12 Caplis H. Butte	NA	NA	NA
Data Sources	Courthouse Records Plat & Inspection			
Proximity to Subject				
Sales Price	\$ NA	\$	\$	\$
Price/Gross Liv. Area	\$/SF \$ 0.00	\$/SF \$	\$/SF \$	\$/SF \$
Date of Sale (MO/DA/YR)				
Site	7006.5 & 2167.9 Sq Ft			
Actual Age (Yrs.)	NA			
Above Grade	Total Bedrooms Baths	Total Bedrooms Baths	Total Bedrooms Baths	Total Bedrooms Baths
Room Count	0 0 0.00			
Gross Living Area (GLA)	NA Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.
Basement	NA			
Garage/Carport	NA			
Pool	NA			
Overall Comparison		<input type="checkbox"/> Sup. <input type="checkbox"/> Similar <input type="checkbox"/> Inf.	<input type="checkbox"/> Sup. <input type="checkbox"/> Similar <input type="checkbox"/> Inf.	<input type="checkbox"/> Sup. <input type="checkbox"/> Similar <input type="checkbox"/> Inf.

EVALUATION SUMMARY

Comments on Prior Sales and Current Listings: Prior sales and current listings are non-existent for this type of property. Therefore, no vacant land comparables are used. Analysis of courthouse records, location, desirability, usefulness, size, shape and valuation for the typical buyer were all taken into consideration for valuation purposes.

General Comments: The appraisal process typically consists of the income approach, cost approach and market approach. For the limited and restricted purposes of this report for the above stated property, only the market approach was utilized in the limited form of analysis only with no comparable sales being available. Since no courthouse valuation records were available (records were limited to description and size), the valuation calculation was taken from the typical vacant land residential calculation of 1.20 to 1.50. The appraiser used the low end of 1.20 since the subject cannot be used for residential purposes.

Lot 12 Block 5 Caplis Heights = 7006.5 sq ft x 1.20 = \$8,408
Tract V 2167.9 sq. ft. x 1.20 = \$2,601

The Appraiser has researched the transfer and listing history of the subject property for the past 3 years and the comparable sales for the past 12 months.

Transfer History (if more than two, use comments section)	Subject in past 36 months:		Comp 1 in past 12 months:		Comp 2 in past 12 months:		Comp 3 in past 12 months:	
		\$ NA	NA	\$ NA	NA	\$ NA	NA	\$ NA
	\$ NA	NA	\$ NA	NA	\$ NA	NA	\$ NA	NA

Opinion of Market Value: \$ 11,009 As of: 07/22/2007

Inspection of the subject: Interior/Exterior Exterior Only No Inspection

CERTIFICATION AND LIMITING CONDITIONS

PURPOSE OF APPRAISAL: The purpose of this appraisal is to form an opinion of market value for the real property that is the subject of this report based upon a qualitative sales comparison analysis for use in the mortgage finance transaction.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and acting in what they consider their best interests; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffacted by special or creative financing or sales concessions granted by anyone associated with the sale.

LIMITED APPRAISAL: This appraisal is a Limited Appraisal, subject to the Departure Provision of the USPAP that was adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation. This Limited Appraisal is intended to comply with Standards Rules (SR): 1-1, 1-2 and 1-5, and MAY depart from SR 1-3 and 1-4, as allowed by USPAP.

RESTRICTED USE APPRAISAL REPORT: The Restricted Use Appraisal Report option limits the use of this report to the client. The appraiser's opinions and conclusions set forth in the report cannot be understood properly without additional information in the appraiser's work file.

INTENDED USE: This Restricted Use Appraisal is intended for use only by the client. The function of this appraisal is to help the client analyze the risk associated with making a loan on the subject property.

HIGHEST AND BEST USE: The Highest and Best Use of the subject property is assumed to be its present use; that is, a single family residential property.

DESKTOP APPRAISAL REPORT
Restricted Use, Limited Appraisal

File No.: techproptexchange1
Loan No.:

SCOPE OF THE APPRAISAL: The scope of this appraisal consists of identifying the characteristics of the subject property that are relevant to the purpose and intended use of the appraisal, as previously addressed. For the subject, this is accomplished by reviewing public record data, prior appraisal files and/or other documentation from a disinterested source and which is considered reliable from the appraiser's perspective and cannot include Leasehold properties, site areas in excess of 40 acres or multi-family properties. For the comparables, the data is derived from similar sources, reviewed for relevance, selected for use through a maximum pre-determined set of criteria (within a single mile in proximity, within 6 months time frame unless specifically addressed within the body of the report, and when the value is concluded, the sales must fall within 15% range of the final opinion of value). The report is either failed or the final opinion of value is then reconciled.

In developing this appraisal, the appraiser has incorporated only the Sales Comparison approach. The appraiser has excluded the Cost and Income Approaches to Value, either due to being inapplicable or in accordance with the Departure Provision of USPAP. The appraiser has determined that this appraisal process is not so limited that the results of the assignment are no longer credible, and the client agrees that the limited appraisal is appropriate given the intended use. The data sources for the comparable sales may include public record data services, multiple listing services, automated valuation models and/or other data sources that become available and are deemed to be reliable. The confirmation of comparable sale data; i.e., closed sale documentation and property characteristics, is via public data sources and multiple listing services, as appropriate. The appraiser has not viewed the sales in the field. The data is collected, verified and analyzed, in accordance with set parameters as defined within the scope of work identified and the intended use of the appraisal.

In the absence of an inspection, the appraiser has made some basic assumptions, including the following:

- subject property is assumed to be in average overall condition and generally conforms to the neighborhood in terms of style, condition, construction materials and in external and economic factors.
- There are no adverse environmental conditions (hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.
- There are no significant discrepancies between the public record information or other data source and the existing site or improvements.

ANALYSIS OF ANY CURRENT AGREEMENT OF SALE, PRIOR SALE WITHIN ONE YEAR AND RECONCILIATION: Unless otherwise noted, the appraiser has no knowledge of any current agreement of sale nor any current or past listing agreement. Prior sales of the subject property within three years of the effective date of this appraisal have been researched and reported on the appraisal report (in the Transfer History Section) if available from public record sources. The appraiser has reconciled the quality and quantity of data available into an indication of Market Value, in accordance with the intended use and scope of the appraisal.

STATEMENT OF CONTINGENT AND LIMITING CONDITIONS: The Appraiser's Certification that appears in this report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect the subject property.
2. The appraiser assumes the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
3. The appraiser will not give testimony or appear in court because he or she performed this appraisal unless specific arrangements to do so have been made beforehand.
4. Except as noted herein, the appraiser has not made an exterior or interior inspection of the subject property. The appraiser assumes that there are no adverse conditions associated with the improvements or the subject site. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or apparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) present in the improvements, on the site or in the immediate vicinity that would make the property more or less valuable, and has assumed that there are no such conditions. The appraiser makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser assumes that the improvements are in average condition. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report may not be considered an environmental assessment of the property.
5. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
6. The appraiser will not disclose the content of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

APPRAISER'S CERTIFICATION: The appraiser certifies, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. I have not made a personal inspection of the property that is the subject of this report, nor did I make inspections of the comparable sales.
9. No one provided significant professional assistance to the person signing this report, unless otherwise noted and acknowledged within this report.

APPRAISER

Signature Renee O Neary
Name Renee Neary
Company Name Neary Appraisal Service
Company Address 4403 Bull Run
Butte, MT 59701
Telephone Number _____
Email Address _____
Date of Signature and Report 07/26/2007
Effective Date of Appraisal 07/22/2007
State Certification # _____
or State License # _____
or Other (describe) _____ State # _____
State _____
Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED
Tract V & Lot 12 Caplis Heights
Butte, MT 59701-

APPRAISED VALUE OF SUBJECT PROPERTY \$ 11,009

LENDER/CLIENT
Name Mike Johnson
Company Name Dr. W. Frank Gilmore, Montana Tech
Company Address 1300 W. Park Street, Butte, MT 59701
Email Address _____

ADDENDUM

Borrower:	File No.: techpropertexchange1	
Property Address: Tract V & Lot 12 Caplis Heights	Case No.:	
City: Butte	State: MT	Zip: 59701-
Lender: Dr. W. Frank Gilmore, Montana Tech		

Adverse Environmental Conditions

Unless otherwise stated in this report, the existence of hazardous materials and/or electromagnetic emissions, which may or may not be present on the property, was not observed by the appraisers. The appraiser has no such knowledge of the existence of such materials on or in the subject property, or in the properties of the subject neighborhood. The appraiser is not qualified to detect such substances. The presence of substances such as asbestos, vermiculite, urea formaldehyde foam insulation, radon or other potentially hazardous materials may affect the value of the property. The value opinion expressed is predicated on the assumption that there is no such material on or in the property, that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discovering them. The customer is urged to retain an expert in this field if desired.

This report is intended to be a Limited/restricted appraisal report as defined in the Uniform Standards of Professional Appraisal Practice.

This appraisal report contains digital signatures. The software program used to generate this appraisal report contains a digital signature security feature which utilizes personal passwords to protect digital signatures. Each appraiser has sole personalized control of affixing their digital signature to a report. The appraisal report can not be modified without the permission of every appraiser who has signed the report. Electronically affixing a signature to a report carries the same level of authenticity and responsibility as an ink signature on a paper copy report.

***** INVOICE *****

File Number: techpropertexchange1

07/26/2007

Montana Tech Foundation

Dr. W. Frank Gilmore, Montana Tech

Borrower :

Invoice # :

Order Date :

Reference/Case # :

PO Number :

Tract V & Lot 12 Caplis Heights
Butte, MT 59701-

Limited/Restricted land analysis \$ 200.00

\$

Invoice Total \$ 200.00

State Sales Tax @ \$ 0.00

Deposit (\$)

Deposit (\$)

Amount Due \$ 200.00

Terms: Due Upon Delivery

Please Make Check Payable To:

Renee' Neary-licensed appraiser 643RAL
4403 Bull Run
Butte, MT 59701

Fed. I.D. #:

Order Form

ORDER INFORMATION	General File No.: <u>techproptexchange2</u> Loan Type: _____ Case No.: _____ Job Type: <u>Limited</u> Client File No.: _____ Property Type: <u>Land</u> Tracking No.: _____ Form Type: <u>Land</u> Filename: <u>C:\Program Files\ACI32\REPORTS\techproptexchange2.aci</u>		Status: _____ Dates: _____ Ordered: _____ Due: _____ Assigned: _____ Inspected: <u>07/22/2007</u> Reviewed: _____ Signed: <u>07/26/2007</u> Fax/EDI: _____ Delivered: _____ Invoiced: <u>07/26/2007</u> User Defined: _____ Cancelled: _____ Paid: _____
	Property Information Address: <u>Lawlor Lot 3 Block 10 Stanley Lot 11 Block 5</u> City: <u>Butte</u> County: <u>Silver Bow</u> St: <u>MT</u> Zip: <u>59701-</u> Location: <u>Butte</u> Map No: <u>0111971410430000</u> Census: <u>0002.00</u> Legal: <u>Lawlor Lot 3 Block 10 Stanley Lot 11 Block 5</u> Sale Price: _____ <input type="checkbox"/> Refinance Loan Amt.: _____ Date of Sale: _____ Rooms: <u>0</u> Bedrooms: <u>0</u> Baths: <u>0.00</u> Appraised Value: <u>15,571</u>		
	Borrower First: _____ Last: _____ Owner: <u>Kebe Virginia</u> Client Information <input checked="" type="checkbox"/> Ordered By <input checked="" type="checkbox"/> Bill To <input checked="" type="checkbox"/> Send To Client: <u>Dr. W. Frank Gilmore, Montana Tech</u> Branch: <u>Butte</u> Address: <u>1300 W. Park Street</u> City: <u>Butte</u> State: <u>MT</u> Zip: <u>59701</u> Phone: _____ Fax: _____ Contact: _____		Billing Information Invoice No.: _____ Fee: <u>\$200.00</u> _____ _____ _____
CLIENT	Client Information <input type="checkbox"/> Bill To <input type="checkbox"/> Send To Client: _____ Branch: _____ Address: _____ City: _____ State: _____ Zip: _____ Phone: _____ Fax: _____ Contact: _____ Misc: _____		Tax: _____ \$ <u>0.00</u> Total Amount: <u>\$200.00</u> Payment 1: _____ Check #: _____ Date: _____ Payment 2: _____ Check #: _____ Date: _____ Due: <u>\$200.00</u>
	Appraiser/Broker Information Name: <u>Renee' Neary</u> Supervisor: _____ Cert #: _____ State: _____ Cert #: _____ State: _____ License #: <u>643RAL</u> State: <u>MT</u> License #: _____ State: _____ Exp. Date: <u>03/31/2008</u> Exp. Date: _____		
	Primary Contact Information Primary Contact: _____ Home Phone: _____ Best time to call: _____ Work Phone: _____ Secondary Contact Information Secondary Contact: _____ Home Phone: _____ Best time to call: _____ Work Phone: _____ Special Instructions 		
COMMENTS	Comments 		

FOR INTERNAL RISK ANALYSIS													
VALUE ESTIMATED FROM PUBLIC RECORD AND MLS DATA ONLY													
Intended Purpose: <input type="checkbox"/> Portfolio Evaluation <input type="checkbox"/> QC/Audit <input type="checkbox"/> Junior Lien <input type="checkbox"/> REO/Foreclosure <input checked="" type="checkbox"/> Other: <u>Property exchange</u>													
Data Source(s) Used: <input checked="" type="checkbox"/> Tax Record <input checked="" type="checkbox"/> Appraiser Files <input checked="" type="checkbox"/> MLS <input type="checkbox"/> Other: _____													
Interest: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold													
CLIENT AND PROPERTY IDENTIFICATION													
Client/Lender: <u>Dr. W. Frank Gilmore, Montana Tech</u>						Address: <u>1300 W. Park Street, Butte, MT 59701</u>							
Borrower/Applicant: _____						Client Contact: _____							
Property Address: <u>Lawlor Lot 3 Block 10 Stanley Lot 11 Block 5</u>						City: <u>Butte</u>		State: <u>MT</u>		ZIP: <u>59701-</u>			
Census Tract: <u>0002.00</u>				APN: <u>322500</u>				County: <u>Silver Bow</u>					
Property Type: <input type="checkbox"/> Tract SFR <input type="checkbox"/> Custom <input type="checkbox"/> Condominium <input type="checkbox"/> Townhouse <input checked="" type="checkbox"/> Other: <u>Land</u>													
MARKET AREA AND COMPARABLES													
Market Value Trend: <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining													
Typical Market Price Range: \$ _____ <u>NA</u> to \$ _____ <u>NA</u>													
Typical Market Property Age: _____ <u>NA</u> years to _____ <u>NA</u> years													
Estimated marketing time for the subject property: <input type="checkbox"/> Under 3 months <input checked="" type="checkbox"/> 3-6 months <input type="checkbox"/> Over 6 months													
COMPARABLES													
FEATURE		SUBJECT			COMPARABLE #1			COMPARABLE #2			COMPARABLE #3		
Address		<u>Lawlor Lot 3 Block 10 Sta Butte</u>			<u>NA</u>			<u>NA</u>			<u>NA</u>		
Data Sources		<u>Courthouse Records Plat & Inspection</u>											
Proximity to Subject													
Sales Price		\$ _____ <u>NA</u>			\$ _____			\$ _____			\$ _____		
Price/Gross Liv. Area		\$/SF \$ _____ <u>0.00</u>			\$/SF \$ _____			\$/SF \$ _____			\$/SF \$ _____		
Date of Sale (MO/DA/YR)													
Site		<u>3500 Sq. Ft.</u>											
Actual Age (Yrs.)		<u>NA</u>											
Above Grade		Total	Bedrooms	Baths	Total	Bedrooms	Baths	Total	Bedrooms	Baths	Total	Bedrooms	Baths
Room Count		<u>0</u>	<u>0</u>	<u>0.00</u>									
Gross Living Area (GLA)		<u>NA</u> Sq. Ft.			Sq. Ft.			Sq. Ft.			Sq. Ft.		
Basement		<u>NA</u>											
Garage/Carport		<u>NA</u>											
Pool		<u>NA</u>											
Overall Comparison					<input type="checkbox"/> Sup. <input type="checkbox"/> Similar <input type="checkbox"/> Inf.			<input type="checkbox"/> Sup. <input type="checkbox"/> Similar <input type="checkbox"/> Inf.			<input type="checkbox"/> Sup. <input type="checkbox"/> Similar <input type="checkbox"/> Inf.		
EVALUATION SUMMARY													
Comments on Prior Sales and Current Listings: <u>Prior sales and current listings are non-existent for this type of property. Therefore, no vacant land comparables are used. Analysis of courthouse records, location, desirability, usefulness, size, shape and valuation for the typical buyer were all taken into consideration for valuation purposes.</u>													
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The Appraiser has researched the transfer and listing history of the subject property for the past 3 years and the comparable sales for the past 12 months.													
Transfer History (if more than two, use comments section)		Subject in past 36 months:			Comp 1 in past 12 months:			Comp 2 in past 12 months:			Comp 3 in past 12 months:		
		\$ <u>NA</u> <u>NA</u>			\$ <u>NA</u> <u>NA</u>			\$ <u>NA</u> <u>NA</u>			\$ <u>NA</u> <u>NA</u>		
		\$ <u>NA</u> <u>NA</u>			\$ <u>NA</u> <u>NA</u>			\$ <u>NA</u> <u>NA</u>			\$ <u>NA</u> <u>NA</u>		
Opinion of Market Value: \$ <u>15,571</u>						As of: <u>07/22/2007</u>							
Inspection of the subject: <input type="checkbox"/> Interior/Exterior <input checked="" type="checkbox"/> Exterior Only <input type="checkbox"/> No Inspection													
CERTIFICATION AND LIMITING CONDITIONS													
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DESKTOP APPRAISAL REPORT
Restricted Use, Limited Appraisal

File No.: techproptexchange2
Loan No.:

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- There are no adverse environmental conditions (hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.
- There are no significant discrepancies between the public record information or other data source and the existing site or improvements.

ANALYSIS OF ANY CURRENT AGREEMENT OF SALE, PRIOR SALE WITHIN ONE YEAR AND RECONCILIATION: Unless otherwise noted, the appraiser has no knowledge of any current agreement of sale nor any current or past listing agreement. Prior sales of the subject property within three years of the effective date of this appraisal have been researched and reported on the appraisal report (in the Transfer History Section) if available from public record sources. The appraiser has reconciled the quality and quantity of data available into an indication of Market Value, in accordance with the intended use and scope of the appraisal.

STATEMENT OF CONTINGENT AND LIMITING CONDITIONS: The Appraiser's Certification that appears in this report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect the subject property.
2. The appraiser assumes the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
3. The appraiser will not give testimony or appear in court because he or she performed this appraisal unless specific arrangements to do so have been made beforehand.
4. Except as noted herein, the appraiser has not made an exterior or interior inspection of the subject property. The appraiser assumes that there are no adverse conditions associated with the improvements or the subject site. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or apparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) present in the improvements, on the site or in the immediate vicinity that would make the property more or less valuable, and has assumed that there are no such conditions. The appraiser makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser assumes that the improvements are in average condition. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report may not be considered an environmental assessment of the property.
5. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
6. The appraiser will not disclose the content of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

APPRAISER'S CERTIFICATION: The appraiser certifies, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. I have not made a personal inspection of the property that is the subject of this report, nor did I make inspections of the comparable sales.
9. No one provided significant professional assistance to the person signing this report, unless otherwise noted and acknowledged within this report.

APPRAISER

Signature Renee O Neary
Name Renee Neary
Company Name Neary Appraisal Service
Company Address 4403 Bull Run
Butte, MT 59701
Telephone Number _____
Email Address _____
Date of Signature and Report 07/26/2007
Effective Date of Appraisal 07/22/2007
State Certification # _____
or State License # _____
or Other (describe) _____ State # _____
State _____
Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED
Lawlor Lot 3 Block 10 Stanley Lot 11 Block 5
Butte, MT 59701-

APPRAISED VALUE OF SUBJECT PROPERTY \$ 15,571

LENDER/CLIENT
Name Mike Johnson
Company Name Dr. W. Frank Gilmore, Montana Tech
Company Address 1300 W. Park Street, Butte, MT 59701
Email Address _____

ADDENDUM

Borrower:	File No.: techproptexchange2	
Property Address: Lawlor Lot 3 Block 10 Stanley Lot 11 Block 5	Case No.:	
City: Butte	State: MT	Zip: 59701-
Lender: Dr. W. Frank Gilmore, Montana Tech		

Adverse Environmental Conditions

Unless otherwise stated in this report, the existence of hazardous materials and/or electromagnetic emissions, which may or may not be present on the property, was not observed by the appraisers. The appraiser has no such knowledge of the existence of such materials on or in the subject property, or in the properties of the subject neighborhood. The appraiser is not qualified to detect such substances. The presence of substances such as asbestos, vermiculite, urea formaldehyde foam insulation, radon or other potentially hazardous materials may affect the value of the property. The value opinion expressed is predicated on the assumption that there is no such material on or in the property, that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discovering them. The customer is urged to retain an expert in this field if desired.

This report is intended to be a Limited/restricted appraisal report as defined in the Uniform Standards of Professional Appraisal Practice.

This appraisal report contains digital signatures. The software program used to generate this appraisal report contains a digital signature security feature which utilizes personal passwords to protect digital signatures. Each appraiser has sole personalized control of affixing their digital signature to a report. The appraisal report can not be modified without the permission of every appraiser who has signed the report. Electronically affixing a signature to a report carries the same level of authenticity and responsibility as an ink signature on a paper copy report.

***** INVOICE *****

File Number: techproptexchange2

07/26/2007

Montana Tech Foundation

Dr. W. Frank Gilmore, Montana Tech

Borrower :

Invoice # :

Order Date :

Reference/Case # :

PO Number :

Lawlor Lot 3 Block 10 Stanley Lot 11 Block 5
Butte, MT 59701-

Limited/Restricted land analysis	\$	200.00
	\$	-----
Invoice Total	\$	200.00
State Sales Tax @	\$	0.00
Deposit	(\$)
Deposit	(\$	-----)
Amount Due	\$	200.00

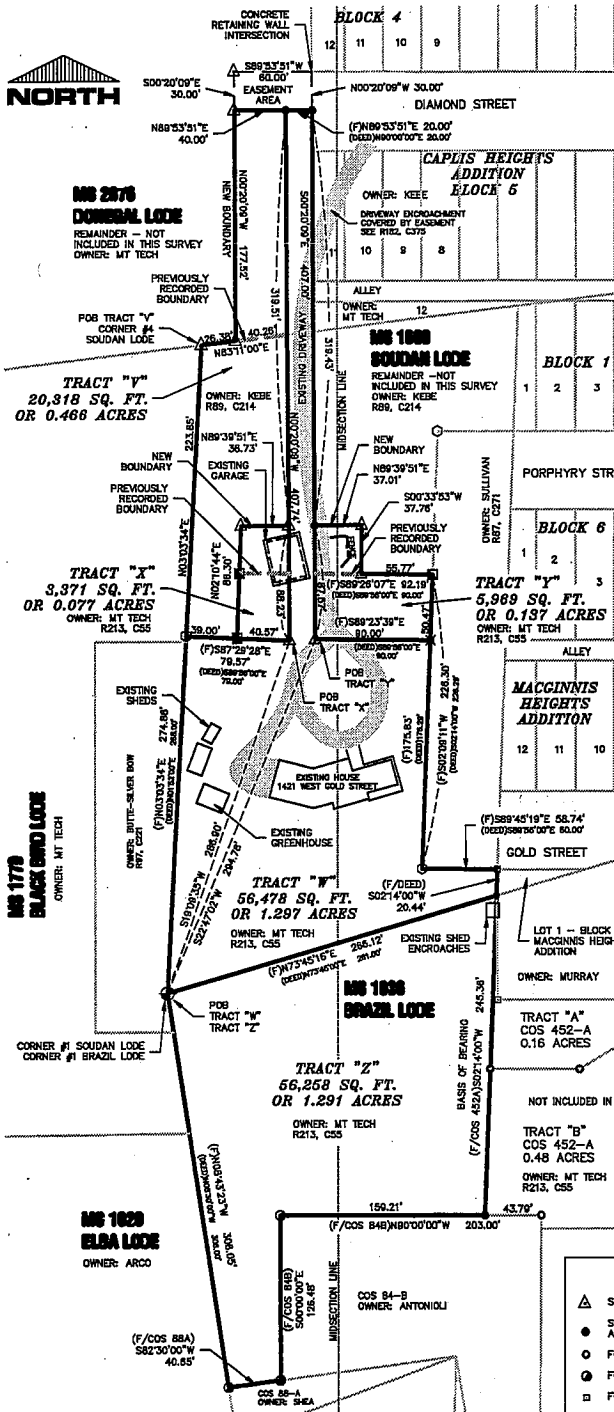
Terms: Due Upon Delivery

Please Make Check Payable To:

Renee Neary-licensed appraiser 643RAL
4403 Bull Run
Butte, MT 59701

Fed. I.D. #:

**MONTANA TECH AND VIRGINIA KEBE BOUNDARY
RETRACEMENT AND BOUNDARY RELOCATION SURVEY
LOCATED IN THE SW 1/4 AND SE 1/4 OF SECTION 14, T3N, R8W, P.M.M.
BUTTE-SILVER BOW CITY-COUNTY, STATE OF MONTANA**



TRACT "A" (RELOCATED BOUNDARY PARCEL)
A TRACT OF LAND BEING A PORTION OF THE SOUDAN LODGE, U.S. 1659, AND A PORTION OF THE DONALD LODGE, MS 2876, LOCATED IN THE SW 1/4 AND SE 1/4 OF SECTION 14, T3N, R8W, P.M.M. AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT CORNER #4 OF SAID SOUDAN LODGE, AND RUNNING THENCE, FIRST COURSE, N81°10'00" E ALONG THE NORTH BOUNDARY OF SAID SOUDAN LODGE FOR 25.30 FEET; THENCE, SECOND COURSE, N00°20'00" W FOR 177.82 FEET; THENCE, THIRD COURSE, N89°30'51" E FOR 40.00 FEET; THENCE, FOURTH COURSE, S02°10'00" E FOR 318.61 FEET; THENCE, FIFTH COURSE, S89°23'31" W FOR 347.73 FEET; THENCE, SIXTH COURSE, S22°10'44" W FOR 80.30 FEET; THENCE, SEVENTH COURSE, N27°28'28" E FOR 39.00 FEET TO ITS INTERSECTION WITH THE WEST LINE OF SAID SOUDAN LODGE; THENCE, EIGHTH COURSE, N03°03'34" E ALONG SAID WEST LINE OF THE SOUDAN LODGE FOR 230.85 FEET TO THE POINT OF BEGINNING, CONTAINING 20.338 SQUARE FEET OR 0.466 ACRES IN ALL, TOGETHER WITH AN EASEMENT FOR ACCESS FROM THE WEST END OF DIAMOND STREET AND ADJOINING THE NORTH BOUNDARY OF THIS TRACT AS SHOWN ON THIS SURVEY, ALSO TOGETHER WITH ANY OTHER RECORDED OR UNRECORDED EASEMENTS.

TRACT "B" (MAIN TRACT)
A TRACT OF LAND BEING A PORTION OF THE SOUDAN LODGE, U.S. 1659, AND A PORTION OF THE DONALD LODGE, MS 2876, LOCATED IN THE SW 1/4 AND SE 1/4 OF SECTION 14, T3N, R8W, P.M.M. AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHWEST CORNER OF THE TRACT HEREIN DESCRIBED, WHICH POINT IS IDENTICAL WITH CORNER #1 OF SAID SOUDAN LODGE, AND RUNNING THENCE, FIRST COURSE, N03°03'34" E ALONG THE WEST LINE OF THE SOUDAN LODGE FOR 274.05 FEET; THENCE, SECOND COURSE, S87°28'28" E FOR 78.57 FEET; THENCE, THIRD COURSE, N02°10'44" W FOR 407.74 FEET; THENCE, FOURTH COURSE, N89°30'51" E FOR 20.00 FEET TO ITS INTERSECTION WITH THE WEST LINE OF THE CARLES HODGINS ADDITION; THENCE, FIFTH COURSE, S02°20'00" E FOR 407.00 FEET; THENCE, SIXTH COURSE, S89°23'30" E FOR 60.00 FEET; THENCE, SEVENTH COURSE, S82°00'11" W FOR 176.83 FEET; THENCE, EIGHTH COURSE, S84°45'19" E FOR 36.74 FEET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 7 OF THE MADDINGS HEIGHTS ADDITION; THENCE, NINTH COURSE, S02°10'44" W FOR 204.44 FEET TO THE SOUTHWEST CORNER OF LOT 1 IN BLOCK 7 OF THE MADDINGS HEIGHTS ADDITION; THENCE, TENTH COURSE, S70°45'18" W ALONG THE SOUTH BOUNDARY OF THE SOUDAN LODGE FOR 266.12 FEET TO THE POINT OF BEGINNING, CONTAINING 66.478 SQUARE FEET OR 1.297 ACRES IN ALL, TOGETHER WITH ANY RECORDED OR UNRECORDED EASEMENTS.

TRACT "C" (RELOCATED BOUNDARY PARCEL)
A TRACT OF LAND BEING A PORTION OF THE SOUDAN LODGE, U.S. 1659, AND LOCATED IN THE SW 1/4 AND SE 1/4 OF SECTION 14, T3N, R8W, P.M.M., AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHEAST CORNER OF THE TRACT HEREIN DESCRIBED, FROM WHICH POINT CORNER #1 OF THE SOUDAN LODGE, MS 1659 BEARS S19°00'00" W A DISTANCE OF 286.90 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING, FIRST COURSE, N87°28'28" E FOR 40.07 FEET; THENCE, SECOND COURSE, N02°10'44" W FOR 66.30 FEET; THENCE, THIRD COURSE, N89°30'51" E FOR 36.73 FEET; THENCE, FOURTH COURSE, S02°20'00" E FOR 80.00 FEET TO THE POINT OF BEGINNING, CONTAINING 3.711 ACRES OR 0.137 ACRES IN ALL, TOGETHER WITH ANY RECORDED OR UNRECORDED EASEMENTS.

TRACT "D" (RELOCATED BOUNDARY PARCEL)
A TRACT OF LAND BEING A PORTION OF THE SOUDAN LODGE, U.S. 1659, AND LOCATED IN THE SW 1/4 AND SE 1/4 IN SECTION 14, T3N, R8W, P.M.M. AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHWEST CORNER OF THE TRACT HEREIN DESCRIBED FROM WHICH POINT CORNER #1 OF THE SOUDAN LODGE, MS 1659, BEARS S22°47'02" W A DISTANCE OF 284.78 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING, FIRST COURSE, N02°20'00" W FOR 67.67 FEET; THENCE, SECOND COURSE, N89°30'51" E FOR 37.00 FEET; THENCE, THIRD COURSE, S82°00'11" W FOR 35.78 FEET; THENCE, FOURTH COURSE, S82°00'11" W FOR 26.77 FEET; THENCE, FIFTH COURSE, S02°10'44" W FOR 60.47 FEET; THENCE, SIXTH COURSE, N89°23'30" E FOR A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING, CONTAINING IN ALL, 8.969 SQUARE FEET OR 0.137 ACRES, TOGETHER WITH ANY RECORDED OR UNRECORDED EASEMENTS.

TRACT "E" (SOUTH PARCEL)
A TRACT OF LAND, BEING A PORTION OF THE BRAZIL LODGE, U.S. 1036, AND LOCATED IN SW 1/4 AND SE 1/4 OF SECTION 14, T3N, R8W, P.M.M. AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTHWEST CORNER OF THE TRACT HEREIN DESCRIBED, WHICH POINT IS IDENTICAL WITH CORNER #1 OF THE BRAZIL LODGE AND CORNER #1 OF THE SOUDAN LODGE, AND RUNNING THENCE, FIRST COURSE, N73°45'18" E ALONG THE COMMON LINE BETWEEN THE BRAZIL LODGE AND THE SOUDAN LODGE FOR 284.12 FEET TO THE SOUTHWEST CORNER OF LOT 1 IN BLOCK 7 OF THE MADDINGS HEIGHTS ADDITION; THENCE, SECOND COURSE, S02°10'44" W FOR 245.38 FEET; THENCE, THIRD COURSE, N89°30'51" E FOR 106.30 FEET; THENCE, FOURTH COURSE, S02°00'00" E FOR 126.48 FEET; THENCE, FIFTH COURSE, S82°00'11" W FOR 40.85 FEET TO ITS INTERSECTION WITH THE WEST BOUNDARY OF SAID BRAZIL LODGE; THENCE, SIXTH COURSE, N89°30'51" E ALONG THE WEST BOUNDARY OF THE BRAZIL LODGE, TOGETHER WITH ANY RECORDED OR UNRECORDED EASEMENTS, CONTAINING 66.258 SQUARE FEET OR 1.291 ACRES IN ALL, TOGETHER WITH ANY RECORDED OR UNRECORDED EASEMENTS.

PURPOSE OF SURVEY
WE HEREBY CERTIFY THAT THE PURPOSE OF THIS SURVEY IS TO RETRACE EXISTING BOUNDARIES. THIS SURVEY DISCLOSES EVIDENCE TO SUGGEST ALTERNATE LOCATIONS OF LINES OR POINTS THAT WERE PREVIOUSLY ESTABLISHED, PURSUANT TO SECTION 76-3-401(1)-(6) OF THE MONTANA SUBDIVISION AND PLATTING ACT. THIS SURVEY ALSO RELOCATES COMMON BOUNDARIES OUTSIDE A PLATTED SUBDIVISION, PURSUANT TO SECTION 76-3-207 (1)(c). THEREFORE THIS SURVEY IS EXEMPT FROM REVIEW AS A SUBDIVISION.

THIS SURVEY IS EXEMPT FROM DEPARTMENT OF ENVIRONMENTAL QUALITY REVIEW PURSUANT TO 17.36.605(2)(b)-(d) ARM WHICH ALLOWS THE REVIEWING AUTHORITY TO EXEMPT PARCELS THAT HAVE NO EXISTING FACILITIES FOR WATER SUPPLY, WASTEWATER DISPOSAL, OR SOLID WASTE DISPOSAL OTHER THAN THOSE THAT WERE PREVIOUSLY APPROVED BY THE REVIEWING AUTHORITY UNDER TITLE 76, CHAPTER 4, PART 1, M.C.A. OR THAT WERE EXEMPT FROM SUCH REVIEW, IF NO NEW FACILITIES WILL BE CONSTRUCTED ON THE PARCEL, AND THE DIVISION OF LAND WILL NOT CAUSE APPROVED FACILITIES TO VIOLATE ANY CONDITIONS OF APPROVAL, AND WILL NOT CAUSE EXEMPT FACILITIES TO VIOLATE ANY CONDITIONS OF EXEMPTION.

MONTANA TECH FOUNDATION BY: VIRGINIA KEBE
MIKE JOHNSON, ASSISTANT CHANCELLOR

ACKNOWLEDGED:
CITY-COUNTY OF BUTTE-SILVER BOW
STATE OF MONTANA

SUBSCRIBED AND SWORN TO ON THIS _____ DAY OF _____ 2007

PAUL JESSOP - NOTARY PUBLIC FOR THE STATE OF MONTANA
MY COMMISSION EXPIRES: SEPTEMBER 11, 2010
RESIDING IN BUTTE, MONTANA.

CERTIFICATE OF EXAMINING SURVEYOR
I, _____, EXAMINING LAND SURVEYOR FOR BUTTE-SILVER BOW CITY-COUNTY, MONTANA, DO HEREBY CERTIFY THAT I HAVE EXAMINED THIS PLAT AND FIND THAT IT CONFORMS TO THE MONTANA SUBDIVISION AND PLATTING ACT PURSUANT TO SECTION 76-3-811(2)(c) M.C.A.
DATED THIS _____ DAY OF _____ 2007

EXAMINING LAND SURVEYOR

CERTIFICATE OF SURVEYOR
I, DANIEL J. BROWN, LICENSE NUMBER 11377LS DO HEREBY CERTIFY THAT THIS SURVEY HAS BEEN CONDUCTED UNDER MY SUPERVISION, DURING THE MONTH OF JANUARY IN 2007, FURTHER, THAT THIS SURVEY HAS BEEN PREPARED IN CONFORMANCE WITH THE MONTANA SUBDIVISION AND PLATTING ACT.
DATED THIS _____ DAY OF _____ 2007.

DANIEL J. BROWN, N.D. 11377LS
PROFESSIONAL LAND SURVEYOR
2000 GARRISON-BUTTE, MT. 59701

CLERK AND RECORDER CERTIFICATION
STATE OF MONTANA
BUTTE-SILVER BOW CITY-COUNTY)
I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED AT MY OFFICE ON THE _____ DAY OF _____, 2007 A.D. AT _____ O'CLOCK.
ATTEST BY MY HAND:
CLERK AND RECORDER _____ FEE \$ _____

BROWN AND ASSOCIATES, INC.
PROFESSIONAL LAND SURVEYORS
2000 Garrison Ave., Butte, MT. 59701 (406) 723-8574

**MONTANA TECH/KEBE BOUNDARY RETRACEMENT
AND BOUNDARY RELOCATION SURVEY LOCATED IN
THE SW 1/4 AND SE 1/4 OF SEC. 14, T3N, R8W, P.M.M.
BUTTE-SILVER BOW CITY-COUNTY, STATE OF MONTANA**

Drawn by: P.J. Sheet No.: 1 of Revised on: 06/00/00
Scale: 1"=60' Dated: 01/26/07 Date of Survey: 01/26/07

LEGEND

- △ SET DAN BROWN CAP ON 24" REBAR
- SET DAN BROWN BRASS WASHER IN ASPHALT
- FOUND HENDRICKSON YPC
- FOUND WALTER EVERLY YPC
- FOUND J. BROWN YPC
- FOUND 5/8" REBAR
- FOUND MATTHEWS ALUMINUM CAP
- ⊗ FOUND 1" SQUARE DRILL STEEL
- ⊗ FOUND 1" SQUARE BOLT
- FOUND 3/4" PIPE

GRAPHIC SCALE
(IN FEET)
1 inch = 60 ft

CERTIFICATE OF COUNTY TREASURER
I DO HEREBY CERTIFY, THAT PURSUANT TO SECTION 76-3-207 (3) M.C.A., THAT ALL TAXES AND SPECIAL ASSESSMENTS ASSESSED AND LEVIED ON THE LAND BEING SUBDIVIDED HAVE BEEN PAID.
DATED THIS _____ DAY OF _____ 2007

CERTIFICATE OF SANITARIAN
I HEREBY CERTIFY THAT THE SURVEY SHOWN HERE HAS BEEN EXAMINED AND DETERMINED TO BE IN COMPLIANCE WITH THE MONTANA SANITATION IN SUBDIVISIONS ACT, AND APPLICABLE A.R.M.
DATED THIS _____ DAY OF _____ 2007

REGISTERED SANITARIAN, BUTTE-SILVER BOW

CERTIFICATE OF COUNTY TREASURER
I DO HEREBY CERTIFY, THAT PURSUANT TO SECTION 76-3-207 (3) M.C.A., THAT ALL TAXES AND SPECIAL ASSESSMENTS ASSESSED AND LEVIED ON THE LAND BEING SUBDIVIDED HAVE BEEN PAID.
DATED THIS _____ DAY OF _____ 2007

TREASURER (DEPUTY)
PARCEL L.D. NUMBERS: 1175400, 1359800, 1359700, 693810, 392120

© United Plotters 2007, Version 1.0, 10/26/07, 10:28:30 AM EST

ADDS.

Scale - 1 in = 100 ft.

33	"	"	"	"	"	"	"	"	"	"	35
100	12	11	10	9	8	7	6	5	4	3	2
35	"	"	"	"	"	"	"	"	"	"	35

100	13	14	15	16	17	18	19	20	21	22	35
35	"	"	"	"	"	"	"	"	"	"	35

Great Western

BROADWAY

7	6	5	4	3	2	1
884	886	887	889	891	891	891
35	"	"	"	"	"	35

35	2	3	4	5	6	7	8	10	11	12
35	896	872	"	"	"	"	"	"	"	35

17	18	19	20	21	22	23
35	30	30	30	30	30	35

24	23	22	21	20	19	18	17	16	15	14	13
35	"	"	"	"	"	"	"	"	"	"	35

PARK

ST.

5	4	3	2	1
30	35	35	35	35

10	9	8	7	6	5	4	3	2	1
35	35	35	35	35	35	35	35	35	35

18	19	20	21	22	23	24	25
30	30	30	30	30	30	30	30

14	13	12	11	10	9	8	7	6	5	4	3	2	1
30	30	30	30	30	30	30	30	30	30	30	30	30	30

ILENA

ST.

8	7	6	5	4	3	2	1
30	30	30	30	30	30	30	30

14	13	12	11	10	9	8	7	6	5	4	3	2	1
30	30	30	30	30	30	30	30	30	30	30	30	30	30

EMMETT AVE.

WESTERN AVE.

Margaret Add

Administrative, Budget, and Audit Oversight Information Item b.

Montana University Research and Education Network (MUREN)

R.Ford, G.Jacobs, J.Rimpau

August 15, 2007

The Dilemma

The MUS has a narrow window of opportunity to join its higher education partners to the east (North and South Dakota) and west (Idaho and Washington) to secure a dark fiber asset running across Montana. Securing this asset will assure that for the next 20 years the MUS has the national and international network access it needs, at a price it can afford – truly a once in a lifetime opportunity. Prior to the 2007 legislative session the MUS and State/ITSD agreed to ask the Legislature for funding to secure this asset for use by both the MUS and ITSD, and through ITSD all state agencies. The Legislature rejected the State/MUS plan, but in a hastily devised compromise provided partial funding (\$1.1M of the estimated one time cost of \$1.6M) to help secure the asset for a “university only” network. Unfortunately language in the hastily defined compromise included a critical ambiguity in specifying how the resulting network can and cannot be used. The MUS has taken immediate action to try to resolve the ambiguity, but it seems clear that with an ambiguous statement in the legislation there is no resolution that will satisfy all concerned. Proceeding in this context makes it virtually certain that controversy will ensue. This presents the dilemma – how can the MUS proceed with what is virtually an obligation to proceed to secure a critical strategic asset, while at the same time taking care to avoid unnecessary and unproductive controversy?

Proposed Action

Though we are grateful to all those who worked hard to put together the legislative compromise, and who have worked since then to resolve the ambiguity, we think that it would be a disservice to all concerned to simply move forward with the use of State money as things now stand. We recommend the following as an alternative.

1. Fiscal Analysis. Perform fiscal “due diligence” to affirm/confirm that there are fiscal advantages for the MUS in utilizing “owned fiber networks” vs. vendor based services:
 - (a) formalize estimated costs under the owned fiber model, while
 - (b) initiating a process to determine what capabilities vendors can provide that are comparable to what the MUS would acquire through an "owned-fiber network".
2. Ambiguity Resolution. Continue efforts to find resolution to allow State funds to be used in securing the fiber asset as part of a Montana University Research and Education Network.
3. Funding Alternatives. Develop two different funding alternatives to cover the one-time costs of creating the MUREN:
 - (a) for the \$0.5M required if State money is used, and
 - (b) for the entire \$1.6M cost.
4. Decision Point. Set October 15, 2007 as the date to make two critical decisions.
 - (a) If fiscal analysis from #1 indicates that there are advantages in the owned fiber approach, continue with #4-b; otherwise, shift focus to a discussion of how the State’s \$1.1M might be utilized on vendor related services.
 - (b) If ambiguity resolution in #2 has been successful, finalize plans to proceed with the option identified in #3-(a); otherwise continue with the option identified in #3-(b).

This plan is one which can be implemented quickly, assures fiscal responsibility no matter what final decisions are made, and represents a viable solution to the current dilemma.

Administrative, Budget, and Audit Oversight Information Item c.

**Report of
Advisory Panel on MSU Agricultural Issues**

With Responses from Montana State University

**Rod Sundsted, Chair
Bill Jones
Lorents Grosfield**

In March 2007, Commissioner of Higher Education, Sheila Stearns, appointed an independent panel to look at issues related to MSU's College of Agriculture and Agencies. The charge that the Commissioner issued to the panel was to review the following questions:

- Is it proper to allocate overhead charges to AES and ES?
- If it is proper to allocate overhead, is the allocation methodology implemented in a fair and consistent manner across the University?
- What are the relevant restrictions in the Morrill Acts?
- What is the nature and extent of MSU's commitment to agriculture?

The panel met on March 27 and 28, 2007 in the conference room at the Office of the Commissioner of Higher Education. During their two-day meeting, the panel heard presentations and comments from the following individuals who participated in the meeting: (listed in the order they presented)

- Sheila Stearns, Commissioner of Higher Education
- Mick Robinson, Associate Commissioner for Fiscal Affairs
- John Youngberg, Vice President of State Governmental Affairs, Montana Farm Bureau Federation
- Steve Pilcher, Stock Growers Association
- President Geoffrey Gamble, MSU
- Craig Roloff, Vice President for Administration and Finance, MSU
- Dave Dooley, Provost and Vice President for Academic Affairs MSU
- Tom McCoy, Vice President for Research, Creativity and Tech Transfer, MSU
- Doug Steele, Vice Provost and Director of Extension, MSU
- Jeff Jacobson, Director of Montana Agricultural Experiment Station and Dean of College of Agriculture, MSU
- Leslie Taylor, Legal Counsel, MSU
- Cathy Swift, Legal Counsel, OCHE
- Senator Jim Peterson
- Representative John Musgrove
- Jim Gillett, Deputy Legislative Auditor for Financial-Compliance Audits
- Alan Peura, Higher Education analyst with Legislative Fiscal Division
- Mark Bruno, Higher Education analyst with Governor's Office
- Frieda Houser, Director of Budget and Accounting, OCHE

The panel members were provided with an extensive body of materials and documents. Subsequent to the meeting, additional materials were also provided by MSU Legal Counsel and from Agricultural Experiment Station and Extension Service accounting and budget staff.

On May 21, 2007, the Advisory Panel members held a conference call to discuss their thoughts and observations related to the initial charge to the panel from Sheila Stearns.

1. *Is it proper to allocate overhead charges to AES and ES?*

The panel members agreed that it is proper to allocate overhead charges to AES and ES.

2. *If it is proper to allocate overhead, is the allocation methodology implemented in a fair and consistent manner across the University?*

Recommendation: OCHE should review overhead practices University System-wide for the purpose of comparing methodologies and rates to ensure overhead costs are applied fairly when presented in the Regents budgets.

The panel members felt the overhead issue needs to be reviewed globally within the University System by the Regents. This review should include which departments pay and which ones do not have to participate in the overhead assessment. For example, MSU has been applying a credit to research's overhead assessment. MSU plans to discontinue the practice of providing credits beginning in FY08.

Montana State University Response:

- a) MSU will welcome an OCHE review of overhead practices, University System-wide.
- b) Effective with the FY08 Overhead Costs Distribution calculation, MSU has discontinued the practice of applying credit to the Overhead Cost assessment for Research operations.
- c) For the past several years, MSU has not charged the full overhead cost amounts to ES and AES.
- d) During FY08, MSU will develop a process and 1-2 year timeline for discontinuing the practice of applying credit discounts on the Overhead Cost assessments for the Agricultural Experiment Station and Extension Service operations.

Recommendation: If overhead is not fully funded for AES and ES, then MSU should be an active partner in the development of an acceptable solution.

The panel members believe that MSU needs to be actively involved and share in the responsibility for the resolution of the overhead issue when the costs are not fully funded in the AES and ES budgets. Since both AES and ES develop biennial budgets under Montana University System authority and directions, any funding shortfalls occurring in the State budget approval process (Executive and/or Legislative) will require the active involvement of MSU in the development of acceptable solutions.

Montana State University Response:

- a) MSU accepts the responsibility of being more actively involved in all aspects of the development and oversight of the operating budgets for the Agricultural Experiment Station and Extension Service.

- b) During FY08, MSU will devise a process to ensure that its President, Provost and CFO are direct collaborators in the development of FY09 AES and ES budgets, the preparation of FY10/11 biennial requests, the proposal of priorities to the Regents, and the discussion of needs with the Governor's Budget Office.
- c) During FY08, MSU will also collaborate with the Agricultural Experiment Station and Extension Service to develop alternative scenarios to resolve any future budget shortfalls.

Recommendation: The AES and ES budgets need to be developed with realistic federal funding levels – including the funding of present law adjustments.

The panel members agreed that earlier in the budget development process a realistic level of federal funding must be recommended. For the past legislative session, the Governor's Budget Office did recommend a change in the funding split for the University System agencies. If a better understanding of the split between federal and state funding is communicated early, hollow federal authority will not be included in the budget. If the federal government does not fund legitimate expenditures, then the unfunded costs become Montana's responsibility. Although panel members do not want to let the federal government off the hook for supporting the MSU agencies, they do not want Montana legislators or the executive branch to think that present law adjustments and statewide pay plan are being fully funded when some of the funding is federal funds that will not materialize.

Montana State University Response:

- a) As part of its enhanced collaboration in the development and oversight of the operating budgets for the Agricultural Experiment Station and Extension Service, MSU accepts the responsibility of being more actively involved in helping the AES and ES to educate the executive branch and legislators regarding realistic expectations for federal funding.

Recommendation: The University System needs to be a significant participant in meetings of Ag and livestock groups to develop a stronger bond and to educate the groups regarding the issues related to MSU's agencies.

Although MSU already attends and participates in many of the meetings of the Ag and livestock groups, the panel believes that MSU needs to communicate the issues (such as federal funding and overhead) so that the problems are more broadly understood by organizations that will advocate support for the issues.

Montana State University Response:

- a) As part of its enhanced collaboration in the development and oversight of the operating budgets for the Agricultural Experiment Station and Extension Service, MSU accepts the responsibility of being more actively involved in meetings with Ag and livestock groups, to help AES and ES leaders communicate and explain the intricacies of such issues as federal funding and Overhead Costs.

Recommendation: MSU should consider hiring a part-time lobbyist to work exclusively on AES/ES issues.

Currently, the Bureau of Mines has a part-time lobbyist that works closely with the UM lobbyist and the University System on issues specifically related to the Bureau of Mines. This type of model might be effective for MSU.

Montana State University Response:

- a) We question whether this is the best use of resources. If there is a need to increase our educational efforts with legislators, both agency directors feel they should be the ones to commit the additional time to the Helena lobbying effort, in cooperation with the MSU lobbyist.
- b) An additional lobbyist poses a coordination challenge. In the last legislative session, there were a number of instances where there was extensive lobbying for funding requests that were not in the Regents' top priorities, nor within the Governor's budget. This included efforts by campus CEOs, PBS Friends, as well as ag organization lobbyists. When there is lobbying for needs outside the Regents' priorities, it confuses legislators and can create a reaction of "if you want the funding for this need, then it will come out of funding for other university system needs."
- c) The appropriate solution seems not so much to do with lobbying as with timely consideration of agency needs. If, however, a part time lobbyist is hired, that person should work under the direction of the MSU lobbyist.

Recommendation: Include AES and ES earlier in the budget process.

The panel feels that the Regents should involve the executive branch in the system review of the overhead assessments and the issues related to funding of present law adjustments and the state-wide pay plan. The panel would like to meet with the Budget Office to present their final recommendations.

Montana State University Response:

- a) MSU supports this recommendation.

3. *What are the relevant restrictions in the Morrill Acts?*

Recommendation: Future MSU bond issues should not commit land grant income from the First Morrill Act. As existing bond restrictions expire, Morrill funds should be spent directly on appropriate projects.

The panel members do not believe that funds are being spent illegally or inappropriately. There also needs to be recognition that these funds are presently pledged to existing debt service for the next 16 years.

Panel members are concerned about perception problems and that sometimes, "perception becomes reality." When the funds are co-mingled into bonded revenues, it is difficult to overcome the perception that the Morrill funds are not being spent on their intended purpose. If bond ratings and interest rates would not be adversely affected, the panel members would like to see the Morrill funds accounted for separately. This would decrease the likelihood that the Ag community would perceive that Morrill funds are not

being used to support the original Morrill Act purposes, including agriculture, engineering, and other related branches of learning.

Although MSU is a Land Grant University and funds spent for general campus improvement (but not on buildings) may be an appropriate use of Morrill funds, it is important to maintain the support of the Ag community and eliminate perception problems, if possible.

Montana State University Response:

- a) MSU’s annual Land Grant (Morrill Act and Second Grant) distributions constitute two of many revenue sources pledged to the University’s Master Indenture of nine (9) bond series.
- b) As stated above, these Land Grant funds are specifically (internally) earmarked to satisfy debt service obligations for the next 15 years.
- c) In 1993 this debt service was incurred for the purpose of general campus improvements, including steam condensate tunnel improvements, utility system improvements, campus lighting, and fiber optic cable. This specific debt service obligation will be retired in 2022.
- d) MSU will not earmark its Morrill Act land grant distributions for any new indenture debt service such as this.
- e) MSU will continue to maintain a separate accounting of both Land Grant distributions, within the overall master indenture.
- f) For the next several years the debt service obligations for which these revenues are earmarked will be equal to or greater than the annual level of receipts.
- g) In future years, when there is a balance of Morrill Act Grant funds in excess of foreseeable debt service obligations, MSU work with representatives of the units of the university which have been specifically identified as recipients of Morrill Act funding to identify appropriate applications of any excess funds.
- h) Based upon historical records related to the Morrill Acts, MSU has compiled a list of those academic disciplines that were specifically identified as the “academic disciplines which were authorized to receive Morrill Act funding”. That list, summarized at the college level, is shown below, along with the corresponding headcount of student majors.

Arts & Architecture	570
Agriculture	709
Business	438
Education	297
Engineering	2,045
Letters & Sciences	1,711 (selected disciplines)
Nursing	0
	=====
TOTAL	5,770

4. *What is the nature and extent of MSU's commitment to agriculture?*

The panel members believe that MSU does have a commitment to agriculture. The perception that MSU is not committed may come from the idea that if MSU was really committed to Ag, would they let the AES and ES budgets be eroded. The panel members believe that if their recommendation were implemented and that MSU was more significantly involved in explaining the funding issue to the Ag groups, to Executive Branch early on, and to legislators, that the perception would be eliminated.



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

46 N Last Chance Gulch ♦ PO Box 203201 ♦ Helena, Montana 59620-3201
(406)444-6570 ♦ FAX (406)444-1469

TO: Board of Regents

FROM: Mick Robinson, Associate Commissioner for Fiscal Affairs

DATE: September 19, 2007

RE: FYE 2007 Negative Fund Balances

As required by Board of Regent policy 901.11, Negative Fund Balances, the campuses of the Montana University System have submitted their status reports concerning funds with negative fund balances as of June 30, 2007.

MSU Bozeman: The Shakespeare in the Parks program is a seasonal operation. Funds are expended throughout the year, while fundraisers are conducted primarily in the summer. The timing of receipts and disbursements continue to contribute to a negative fund balance at each June 30. The University requires the program to maintain a positive balance as of December 31 each year and the program has complied with this requirement. At June 30, the restricted Shakespeare in the Parks fund balance was (\$68,340).

MSU Northern: Negative balances continue in the general operating account (\$143,241) and auxiliaries (\$578,244). The negative balance in the general operating account was expected to be eliminated by the end of FY07; however, this did not occur. The FY08 current unrestricted budget provides for the elimination of the remaining deficit. MSU-N plans to reduce the auxiliaries' negative balance by continuing to reduce staffing and operational expenses in the housing and dining operations. The budget contains a \$70,000 transfer and approximately \$45,000 in budgeted revenue to be used to reduce the deficit. The restricted fund is negative (\$2,294) due to an accounting error where an account payable was not reversed when a payment was made in FY07. If the account payable had been properly reversed the fund balance would not have been negative. The unexpended plant fund is negative (\$146,128) due to the implementation of Banner system upgrades. It is expected to be negative until FY12.

MSU Billings: A negative balance in the restricted financial aid account (\$7,829) existed at fiscal year-end. This negative balance is offset by a corresponding receivable from the federal government that was recorded in the restricted GAAP fund. This is a new negative balance that did not exist in the past and is the result of accounting changes made for the implementation of the financial data warehouse. Appropriate changes will be made to the financial warehouse in FY08 to correct this reporting issue.

UM Missoula: Negative balances existed in restricted sponsored programs (\$40,362), auxiliary health services (\$46,589) and unexpended plant funds (\$5,967,581). These are new negative balances that have not existed in the past and are the result of accounting changes made for the implementation of the financial data warehouse. In FY08, changes will be made to appropriately exclude non-cash accounting adjustments, such as liabilities for compensated absences and entries for deferred revenue and account receivables ,that should be excluded for budget purposes.

Montana Tech of the UM: Negative balances existed in the restricted sponsored programs (\$1,328,261) and auxiliary student union (\$1,613). These are new negative balances that have not existed in the past and are the result of accounting changes made for the implementation of the financial data warehouse. In FY08, changes will be made to appropriately exclude non-cash accounting adjustments, such as liabilities for compensated absences and entries for deferred revenue and account receivables, that should be excluded for budget purposes.

UM Western: The plant fund deficit reported each year is caused by the financial statement GAAP entry to accrue bond interest expense at the end of the fiscal year in advance of the bond payment made in the following fiscal year. When bond payments are made in the subsequent year, the liability is eliminated.

UM Helena College of Technology: Negative balances existed in the restricted fund (\$5,803) because a cash transfer was not made from agency funds to the scholarship funds for an award. That transfer will be made this year. The continuing education designated fund also had a negative fund balance (\$19,710). It is anticipated that continuing education will be self-sufficient during FY08 and as a result, will begin to pay down the negative balance; however, the projected ending fund balance is still estimated to be negative (\$17,075). The auxiliary fund also had a negative balance in the rental fund (\$5,559). Two of the three rental properties are currently rented. If the properties continue to be rented all year, sufficient revenue will be generated to cover the yearly operating costs plus reduce the ending negative balance to (\$1,913). If the third property is rented, then the negative balance will be eliminated.

Campus CEOs and CFOs will be available during the meeting to respond to questions on negative fund balances.



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Office of the Commissioner of Higher Education

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(406)444-6570 ♦ FAX (406)444-1469

TO: Board of Regents
FROM: Mick Robinson, Associate Commissioner for Fiscal Affairs
DATE: September 19, 2007
RE: FYE 2007 Outstanding Debt

Presented below is a summary of the outstanding debt for the campuses of the Montana University System. The types of debt reported include revenue bonds along with other long-term debt. Additional information regarding the uses of the funds and the revenue streams pledged or identified for repayment can be found with the financial schedules for each campus. The campuses of The University of Montana are reported in one summary because the campuses have cross-pledged their revenues under the bond indenture.

	<u>FY06</u>	<u>FY 07</u>
University of Montana Campuses:		
Revenue Bonds	\$152,670,000	\$147,564,997
Other	<u>7,432,258</u>	<u>6,396,965</u>
Total	\$160,102,258	\$153,961,962
Montana State University – Bozeman:		
Revenue Bonds	\$106,971,721	\$103,866,721
Other	<u>3,213,557</u>	<u>3,643,283</u>
Total	\$110,185,278	\$107,510,004
Montana State University – Billings:		
Revenue Bonds	\$13,735,000	\$13,370,000
Other	<u>320,358</u>	<u>929,947</u>
Total	\$14,055,358	\$14,299,947
Montana State University – Northern:		
Revenue Bonds	\$1,685,000	\$1,510,000
Other	<u>2,877,974</u>	<u>3,106,447</u>
Total	\$4,562,974	\$4,616,447
Total Montana University System	\$288,905,868	\$280,388,360

OPERATING AGREEMENT

THIS OPERATING AGREEMENT is made and will be effective the 1st day of October, 2007 by and between **THE UNIVERSITY OF MONTANA WESTERN** (the "University") and **THE UNIVERSITY OF MONTANA WESTERN FOUNDATION**, an independent Montana non-profit corporation (the "Foundation").

Recitals:

- A. The University is a public institution of higher learning and is a campus of the Montana University System.
- B. The Foundation is a private and independent Montana non-profit corporation organized to support the mission of the University through private support.
- C. The Montana Board of Regents is responsible for ensuring the integrity and reputation of the University and its programs and must be assured that the independent University affiliated Foundation will adhere to ethical standards appropriate to such organizations.
- D. To accomplish this objective, the Board of Regents has approved a policy which requires the University and the Foundation to enter into an operating agreement that outlines their relationship and defines appropriate Foundation activities.
- E. The University and the Foundation recognize this operating agreement in accord with Board of Regents policy 901.9.

NOW, THEREFORE, based upon the foregoing recitals and the mutual promises contained herein, the parties agree as follows:

- 1. The Foundation's responsibilities are to:
 - A. Solicit, receive, hold trust, re-invest, administer and manage funds (including both restricted and unrestricted gifts) consistent with the wishes of its donors, and to make expenditures to or for the benefit of the University, and with University consent, manage selected University funds and other University resources to the extent permissible by law, provided that such funds and other resources remain identified in Foundation and University records as University assets;
 - B. Conduct its fundraising operations in a manner that is consistent with the mission and priorities of the University;
 - C. Comply with all applicable state and federal laws and policies of the Montana university system;
 - D. Accept, account for and receipt gifts, grants, and endowments by preparing and maintaining financial and accounting records in comprehensive, generally accepted accounting principles as approved by an independent auditor;
 - E. Annually submit audited financial statements and a list of the Foundation's officers and Board of Directors to the Chancellor of the University for review if requested by the Commissioner of Higher Education and the Board of Regents;
 - F. Maintain and enforce at all times an appropriate conflict of interest policy for directors of the Foundation Board and employees of the Foundation;
 - G. Seek and obtain input from the University (through the Chancellor of the University) before defining priorities for Foundation fundraising efforts;
 - H. Fund a mutually agreed upon portion of the Executive Director/President's salary including any such person serving on an interim basis.
 - I. Employ and evaluate its employees, including the Foundation Executive Director/President.
 - J. Adhere to its conflict-of-interest policy.
 - K. Earmark a portion of its unrestricted funds to a discretionary fund for the chancellor of the university and either transfer a percentage of those funds annually to the institution in compliance with state law and University or reimburse appropriate expenditures. All such expenditures and transfers to comply with the I.R.S. 501 (c)(3) code and be consistent with the Foundation's mission and objectives.
 - L. Control and manage of all assets of the Foundation, including prudent management of all gifts, grants and donations to the Foundation consistent with donor intent.
 - M. Assume responsibility for the performance and oversight of all aspects of its operations based on a comprehensive set of by-laws.
 - N. Serve as the primary depository of private gifts to the Foundation and transfer funds to the designated entity within the University in compliance with applicable laws, University policies and gift agreements.

2. The University's responsibilities are to:
 - A. Through the Chancellor of the University, keep the Foundation apprised (of the University's needs and priorities;
 - B. Provide adequate space and facilities for the Foundation staff and its operations;
 - C. Provide salary support to administrative staff as agreed upon by the University and the Foundation and in compliance with all laws and university system policies.
3. The Board of Regents and the University recognize that the Foundation is a private, independent corporation with the authority to keep all records and data confidential consistent within the law.
4. The Executive Director/President of the Foundation shall be included as a member of the University Chancellor's Council and senior administrative team
5. As consideration for the services provided by the Foundation to the University under this agreement, the University agrees to pay the Foundation the sum of \$10,000 for its services. As additional consideration for the services provided hereunder the University will provide the space and utilities for the Foundation as set forth in Paragraph 2B above.
6. No employee of the Montana University System will hold a voting position within the Foundation.
7. In performance of this agreement, the parties shall not discriminate on the basis of gender, race, color, religion, marital status, creed, age, political belief, physical or mental handicap, national or ethnic origin.
8. All activities and services performed by the Foundation shall be on an independent basis separate from the University. The Foundation, as an independent entity, will have the right to control and determine the method and manner of performing its duties hereunder. Nothing herein shall be deemed to create any partnership, joint venture or other formal relationship between the University and the Foundation, which are separate organizations.
9. The Foundation has the right and authority to elect to hire, evaluate, promote and terminate its own Executive Director/President (the Foundation's chief operating officer to be given one of these titles), its own employees and its own consultants and consulting firms.
10. The University and Foundation may share the cost of salary and benefits of development officers assigned to serve particular units of the University. In such cases the development officer is also considered an employee of the university and the State of Montana and subject to all rules, polices and laws therein. The interim director will receive 11% of her salary from the Foundation. When appointed, the Executive Director/President will tentatively receive up to 29% of the salary from the Foundation.
11. This Agreement shall be in effect for two years unless terminated by an agreement in writing and signed by both parties.

Signed as of the Effective Date


 University of Montana Western
 Chancellor


 University of Montana Western
 Foundation Chair

September 19-21, 2007

ITEM 136-1602-R0907 **Authorization to Expend Reverted Appropriations; The University of Montana-Western**

THAT: The Board of Regents authorizes The University of Montana - Western to expend reverted appropriations based on the attached list.

EXPLANATION: Board of Regents Policy 901.6 and MCA 17-7-304 authorize campuses and agencies of the Montana University System to expend reverted appropriations subsequent to Regent approval of a spending plan. The University of Montana Western spending plan was approved as Regent Item 77-601-R1292. The policy requires submitting an itemized expenditure list consistent with the long-term plan prior to expenditure of funds from a reverted appropriation. MCA 17-7-304 specifies that the reversions be spent on deferred maintenance or equipment. This spending request meets legislative intent. Expenditures will not exceed the amount of available funds.

ITEM 136-1602-R0907 (continued)

September 19-21, 2007

Attachment

**The University of Montana-Western
Expenditure of Reverted Appropriations**

- | | | |
|----|--|----------|
| 1. | Move and bolt Library stacks for handicap accessibility and earthquake stability | \$20,000 |
|----|--|----------|

September 19 - 21, 2007

ITEM 136-2851-R0907 Authorization to Expend Computer Fees; Montana State University-Great Falls College of Technology

THAT: Consistent with the provisions of Board of Regents Policy 940.23, the Board of Regents authorizes Montana State University-Great Falls College of Technology to expend Student Computer Fee funds for the projects outlined in the table below, not to exceed \$149,419.

EXPLANATION: Board of Regents Policy 940.23 requires Board approval of all purchases in excess of \$25,000. The Student Computer Fee Committee, whose membership includes 50 percent students as required by Board policy, endorses this allocation proposal.

Computer Fee Allocation Projects FY 08

Student Employment	50,000	Computer lab & help desk
AutoCad	7,600	Drafting class
Adobe Suite	3,350	Classrooms
SPSS	400	Learning center
PTA Clinical	1,700	PTA Program
EMS Clinical	2,500	EMS Program
Kitchen/Bath	2,500	Interior Design
TestOut	5,000	Testing Software
Patterson/Eaglesoft	1,400	Dental hygiene Clinic
Quickbooks	1,300	Classrooms
Lipencott	800	Nursing Program
Turnitin	1,297	Students/Faculty
Respondus	1,350	Testing Software
Netsupport	2,395	Classrooms
Softchalk	2,500	Course Development
READI	2,500	Course Development
Netlab	2,395	CISCO program
Computer Equipment (PC's Laptops)	60,432	Classrooms/Distance Ed
Total	149,419	

**ITEM 136-2852-R0907 Authorization to Expend Student Equipment Fees:
Montana State University-Great Falls College of
Technology**

THAT: Consistent with the provisions of Board of Regents Policy 940.26, the Board of Regents authorizes Montana State University-Great Falls College of Technology to expend Student Equipment Fee funds to purchase computers, software, servers, and other networking equipment. The total of these purchases will not exceed \$192,858. These purchases are needed to equip classrooms and labs in the Academic Support Center.

EXPLANATION: Board of Regents Policy 940.26 requires Board approval of all purchases excess of \$25,000. The Student Equipment Fee Committee, comprised of 50% students, as required by the Board of Regents Policy, endorses this request.

Biology Lab Equipment:		28,045
media for labs		11,065
Chem		34,148
PTA		32,992
Health Science		33,142
Art		740
EMT	projectors	2,000
CISCO		17,226
Interior Design		3,500
Auto Body		1,000
Equip new space		10,000
projectors	4	12,000
smart boards	2	7,000
Total		<u>192,858</u>

September 19-21, 2007

ITEM 136-1007-R0907

**Authorization to Construct “Think Tank” Coffee Shop;
The University of Montana-Missoula**

THAT:

Consistent with the provisions of MCA 18-2-102, the Board of Regents of the Montana University System authorizes The University of Montana to implement steps necessary to construct a new “Think Tank” coffee shop. The cost for this facility will not exceed \$500,000. Auxiliary funds will wholly fund this project.

EXPLANATION:

The existing “Think Tank” coffee shop is currently housed in the stairwell of the Urey Lecture Hall. Due to the popularity of this shop, they have outgrown their space and can no longer adequately serve their patrons. A new larger space will be constructed on the plaza over the North Underground Lecture Hall. This facility will be constructed to meet LEED certification.

This authority request is for an amount greater than \$150,000, which requires the following additional information:

(a) Project Description:

The work performed under this authority encompasses the construction of the “Think Tank” Coffee Shop.

(b) Cost Estimate and Funding Sources:

Construction	\$335,500
Architectural Fees and Project Administration	35,000
Non-Contracted Labor	1,500
Utilities	25,000
Testing	3,000
Contingency	50,000
Equipment	50,000

PROJECT TOTAL	\$500,000
----------------------	------------------

This project will be financed with auxiliary funds.

(c) Programs Served, Enrollment Data, Projected Enrollments:

N/A

(d) Space Utilization Data:

The work completed under this authority will provide approximately 1800 square feet of new space.

(e) Projected Use for Available Residual Space:

The existing space will be vacated.

(f) Projected O&M Costs and Proposed Funding Sources:

O&M costs for this facility are projected to be \$5,000 for the first full year of operation in FY 2009. No state funds will be used in supporting the O&M costs.

September 19-21, 2007

ITEM 136-1501-R0907

**Authorization for Data Center Remodel Project; Montana
Tech of The University of Montana**

THAT:

Consistent with the provisions of MCA 18-2-102 and 20-25-302, the Board of Regents of the Montana University System authorizes Montana Tech of The University of Montana to renovate its Data Center. The total cost of the renovation is estimated to be \$481,841.

EXPLANATION:

The Data Center, which serves the entire campus, is located in the Mining and Geology Building. The Center does not have a fire suppression system, a satisfactory cooling system, or a raised floor to protect equipment from possible water damage.

The project will be carried out in two phases. Phase One, which consists of the bulk of the work, would correct these deficiencies. Phase Two would entail the installation of an alternate power source (a generator).

Phase One is estimated to cost \$338,813 and Phase Two is estimated to cost 143,028. The project will be funded from \$144,725 in a plant fund designated for this purpose, and the remainder from the Information Technology fee.

ATTACHMENT:

Data Center Upgrade Costs

ITEM 136-1501-R0907 Attachment

Montana Tech Data Center Upgrade			
Current Costs Based for March '07			
Descriptions	Cost Estimates		
	phase 1	phase 2	Total
APC W/ Generator & ATS *	\$ 114,056.94	\$ 71,400.00	\$ 185,456.94
Shipping/Handling	\$ 10,000.00		\$ 10,000.00
KVM Switch**			\$ -
Subtotal	\$ 124,056.94	\$ 71,400.00	\$ 195,456.94
Fire Suppression		\$ 12,000.00	\$ 12,000.00
Subtotal	\$ -	\$ 12,000.00	\$ 12,000.00
Monitoring Netbotz			\$ -
Temperature/Humidity **			\$ -
Leak Detection **			\$ -
Visual	\$ 15,000.00		\$ 15,000.00
Oxygen Monitor		\$ 1,625.00	\$ 1,625.00
Subtotal	\$ 15,000.00	\$ 1,625.00	\$ 16,625.00
Telecommunications			\$ -
Rack	\$ 500.00		\$ 500.00
Patch Panels	\$ 1,500.00		\$ 1,500.00
Horizontal Cabling	\$ 3,700.00		\$ 3,700.00
Subtotal	\$ 5,700.00		\$ 5,700.00
Architectural/Facilities			
Chiller/Dry Cooler	\$ 61,355.00		\$ 61,355.00
Chiller Installation	\$ 50,000.00		\$ 50,000.00
Drain	\$ 600.00		\$ 600.00
Access Control		\$ 2,000.00	\$ 2,000.00
Floor 20' X 18'	\$ 1,800.00		\$ 1,800.00
Ceiling	\$ 1,000.00		\$ 1,000.00
Painting	\$ 1,000.00		\$ 1,000.00
Doors	\$ 3,500.00		\$ 3,500.00
Sealing room	\$ 1,000.00		\$ 1,000.00
Plumbing	\$ 3,000.00		\$ 3,000.00
Electrical	\$ 15,000.00		\$ 15,000.00
Gen Install		\$ 40,000.00	\$ 40,000.00
Space Ventilating Fan		\$ 3,000.00	\$ 3,000.00
Engineering/administrative Fees	\$ 25,000.00		\$ 25,000.00
Subtotal	\$ 163,255.00	\$ 45,000.00	\$ 208,255.00
Total	\$ 308,011.94	\$ 130,025.00	\$ 438,036.94
w/ 10% Contingency	\$ 338,813.13	\$ 143,027.50	\$ 481,840.63
Notes:			
* Approximate 18-20% discount over the APC list			
** Included in APC Quote			

ACADEMIC AND STUDENT AFFAIRS
Montana State University-Billings
Lewis and Clark Room, Student Union Building
Wednesday, September 19, 2007
12:30 – 4:00 PM

12:30 PM Roll Call and Review of [Minutes](#)

ACTION

- 12:35 PM
- a. Exception to Policy 301.12, Aviation Technology, UM-Helena. [ITEM 136-103-R0907](#)
 - b. Compliance report on Policy 301.12, Undergraduate Degree requirements. [ITEM 136-104-R0907](#) [Attachment](#)
 - c. Recommendation on College Preparatory Program exemptions. [ITEM 136-106-R0907](#) [Attachment](#)

Level II Items

- d. Minor in Health Communication, MSU-Billings. [ITEM 136-2701-R0707](#) [Attachment](#)
- e. Certificates of Applied Science in Network Infrastructure and EMT – Intermediate 99, MSU-Great Falls COT. [ITEM 136-2851-R0707](#) [Attachment](#)
- f. Bachelor of Science in Athletic Training, UM-Missoula. [ITEM 136-1002-R0707](#) [Attachment](#)
- g. Department of Educational Leadership and Department of Counselor Education, UM-Missoula. [ITEM 136-1003-R0707](#) [Attachment](#)
- h. Montana Center for Work Physiology and Exercise Metabolism, UM-Missoula. [ITEM 136-1004-R0707](#) [Attachment](#)
- i. The College of Letters, Sciences and Professional Studies, Montana Tech-UM. [ITEM 136-1503-R0707](#) [Attachment](#)
- j. Certificates of Applied Science in Bookkeeping, Small Business Entrepreneurship Technology, Computer Assistant, Carpentry, Machine Tool Technology, Welding Technology, and Office Assistant, UM-Helena COT. [ITEM 136-1901-R0707](#) [Attachment](#)
- k. Associate of Applied Science degree in Electrical Technology, Flathead Valley Community College. [ITEM 136-301-R0707](#) [Attachment](#)

INFORMATION

- 2:30 PM
- a. Update on student loan issues – Commissioner Stearns and OCHE staff.
 - b. Preview of admissions/placement/remediation policies – Jan Clinard, OCHE. [Memo and Policies](#)
 - c. Teacher education accreditation – Provost Dooley, MSU-Bozeman.
 - d. Indian Education for All: MSU-Bozeman’s recent grant – Provost Dooley, MSU-Bozeman.
 - e. Distance education [initiatives](#) from the OCHE/campus match program – Tom Gibson, OCHE.
 - f. Update on nursing programs
 1. Recent decisions by the State Board of Nursing.
 2. Report on PN Nursing at Flathead Valley Community College.

CONSENT

- 3:40 PM Level I [memorandum](#).
- 3:45 PM Public Comment
- 4:00 PM ADJOURN

Minutes of
The Academic & Student Affairs Committee
of the Montana Board of Regents
May 30, 2007

Regent Lynn Hamilton, Committee Chair, called the meeting to order at 1:10 p.m. She expressed thanks to Student Regent Heather O'Loughlin for her 18 months service on the committee. She introduced new Student Regent Kerra Melvin. Roger Barber, Deputy Commissioner of Academic & Student Affairs of the Office of the Commissioner of Higher Education, introduced the new Interim Provost at MSU-Northern, Joe Callahan.

a. Roll Call.

All committee members were present.

b. Approval of the minutes from the February, 2007, meeting of the Committee.

The minutes were approved, as written.

1. Action items

a. ITEM 135-101-R0507: Revisions to Board of Regents' Policy 301.3, Admissions Requirements; Graduate Students.

Deputy Commissioner Barber said that David Strobel, Dean of Graduate Studies at The University of Montana, initiated this policy change because of a need for more flexibility for graduate school admissions. The change mandates admissions criteria of some kind but does not require a single standard. There was a consensus to move this item forward to the full Board of Regents for approval.

b. ITEM 135-102-R0507: Revisions to Board of Regents' Policy 303.1, Curriculum Proposals.

This revision would simplify the documentation for Level II Academic Programs procedures. Discussion followed Deputy Commissioner Barber's inquiry of whether the committee members are getting enough information on which to base decisions. Regent Buchanan would like a balance of qualitative and quantitative data. Provost David Dooley, Montana State University-Bozeman, spoke to the process campuses currently use. While he agreed that key performance indicators are important in looking at investment effectiveness, he cautioned that some programs, like nursing, must be offered even when they are not cost effective. Chair Hamilton summarized that the Commissioner's Office and the Board of Regents will look at the forms to determine whether issues raised in the discussion were addressed. She said the paperwork does provide a snapshot of program curriculum proposal structure that is helpful. More global issues like transferability and duplication of offerings need to be addressed. There is also a need to make a connection between the approval and the review processes, she stressed. The committee reached consensus to move the item forward to the full Board of Regents for approval.

c. ITEM 135-103-R0507: Pilot Program for Suspended Students, UM-Missoula.

Associate Provost James Staub presented the rationale for this program. Regent Pease questioned financing of the program since course work may not be covered by financial aid programs. Chair Hamilton asked if suspended students were admitted under exemptions to the college preparatory policy, and therefore, may not be adequately prepared to succeed. Provost Dooley said that, in his experience, students who are suspended for academic reasons fail for a variety of reasons. Regent Buchanan noted that because of the lower graduation rate of suspended students there is a need to look at the cost effectiveness of intervention programs. Regent Pease stressed the importance of giving students another chance. The committee reached consensus to move item to the full Board of Regents for approval.

d. ITEM 135-104-R0507: Change in the Model Curriculum for Practical Nursing Programs.

Because of a financial aid problem discovered in implementation, this item changes the program credential from a certificate to an A.A.S., effective immediately. The committee agreed to move the item forward to the full Board for approval.

e. ITEM 135-105-R0507: New and Revised Policies on Research and Conflict of Interest.

Cathy Swift, Legal Counsel for the Office of the Commissioner of Higher Education, summarized the item's four policies regarding research and conflict of interest. These are based on recommendations to OCHE by two audits conducted by the Legislative Audit Department. Swift noted that four policies are being proposed: new Policy 401, Research and Technology Transfer, and revisions to three existing policies, Policy 401.2, Inventions and Patents, Policy 770, Conflict of Interest, and Policy 218, Institutional Organization. She noted that OCHE is recommending two changes to the policies as presented: First, section 4c of revised policy 401.2 is being withdrawn from consideration at this time. Second, OCHE recommends that the Commissioner of Higher Education approve campus policies and the BOR approve only the policies relating to OCHE and the CEOs. In response to Regent Buchanan's query about salary allocation and fund supervision, Tom McCoy, Vice President for Research, Creativity and Tech Transfer at MSU-Bozeman, noted that all research funds are subject to the same federal requirements, and a federally-mandated formula governs the distribution of federal grants for salaries. Chair Hamilton recommended the approval of the two changes proposed to the recommended policies. The committee agreed to move the item forward to the full board for approval.

f. ITEM 135-106-R0507: Program Exceptions to Board of Regents' Policy 301.12, Undergraduate Degree Requirements: Associate Degrees and Certificates of Applied Science.

Deputy Commissioner Barber introduced these exception requests that, mainly for accreditation reasons, were not able to be brought into compliance with board policy. The exceptions are: the Certificate in Farm and Ranch Business Management at Dawson Community College; (This certificate was withdrawn by the campus at the recommendation of the Two-Year Education Council and may be brought back to the committee once the Dawson faculty has had an opportunity to review the recommendations); the Associate of Applied Science degree in Civil Engineering Technology at Montana State University-Northern; the Associate of Applied Science degree in Dental Hygiene at Montana State University- Great Falls College of Technology. Barber told the committee that they would see more items like this as campuses finish the work of bringing programs into compliance with the above-referenced policy. A report of programs out of compliance is to be presented at the September BOR meeting. The board may be asked to put out-of-compliance programs on moratorium. Chair Hamilton noted committee consensus to move the item forward to the full Board for approval.

g. ITEM 135-111-R0507: Revisions to Policy 301.16, Writing Proficiency.

This revision adds some missing details to the policy which were intentionally vague at the time the policy was adopted almost two years ago. There was consensus to move the item forward to the full Board. Following a decision on the item, Director of Academic Initiatives Jan Clinard spoke to the growth of the writing proficiency program since its inception in 2001. This year 7,270 students completed the test of which 4,453 were online. Glasgow (new) and six other sites participated in the 2-day teacher training this spring. Deputy Commissioner Barber noted that although K-12 underwrites this program to a large degree, the board needs to put some money into the administration of it.

Level II Action items

h. ITEM 134-1001-R0107: Option in Inequality and Social Justice, UM-Missoula.

Deputy Commissioner Barber noted that this item was postponed from the March meeting, and UM-Missoula has added the program to its planning list. The committee agreed to move this forward to the full Board for approval.

i. ITEM 134-1003-R0307: Osher Lifelong Learning Institute, UM-Missoula.

UM-Missoula's Associate Provost Staub said this institute, which will provide additional education avenues for persons over the age of 55, is grant-funded for three years. At the end of that time it will be reviewed with the possibility of permanent endowment. There was a consensus of the committee to move the item forward to the full Board for approval.

j. ITEM 134-1503-R0307: Associate of Applied Science Degree in Web Development and Administration, Montana Tech of UM College of Technology.

Doug Abbott, Vice Chancellor of Academic Affairs at Montana Tech of UM, said that because this program emphasizes the hardware side of web development, it is unique. The committee agreed to move the item forward to the full Board for approval.

k. ITEM 134-2010-R0307: Bachelor of Arts Degree in Music Technology, MSU-Bozeman.

Collaboration with UM-Missoula resulted in some changes to this program as originally presented, primarily in the sequence of courses. 2007-2008 ASMSU President Teagan Molloy said that students consider the interdisciplinary value of the program a very popular addition. Chair Hamilton noted consensus to move the item to the full Board for approval.

l. ITEM 134-2802-R0307: Certificate of Applied Science and Associate of Applied Science Degree in Carpentry Technology, MSU-Northern.

Deputy Commissioner Barber said that this program addresses one of the two work force priorities identified by the Board, the construction trades. John Cech, Dean of the MSU-Billings College of Technology, added that this program, part of a BILT grant, is aligned with the state's apprenticeship program in carpentry. Consensus was reached to move the item forward to the full Board for approval.

m. ITEM 134-2852-R0307: Associate of Applied Science Degree in Surgical Technology, MSU-Great Falls College of Technology.

Interim Associate Dean Joe Schaffer of MSU-Great Falls announced a signed agreement with UM-Missoula COT to use their online courses in conjunction with Great Falls' face-to-face classes. The program is also being converted from a Certificate to an A.A.S. degree to comply with policy 301.12. Deputy Commissioner Barber also shared four e-mail messages that he received the day before the Board meeting concerning the on-line coursework, and Dean Schaffer addressed those concerns. There was consensus to move the item to the full Board for approval.

n. ITEM 134-2857-R0307: Associate of Applied Science Degree in Auto Body Repair & Refinishing, MSU-Great Falls College of Technology.

Dean Schaffer of MSU-Great Falls said that the actual technical coursework and amount of time in this program have increased so that a change to A.A.S. is warranted. With the change, the program is also comparable to other auto body programs in the Montana University System. There was consensus to move the item to the full Board for approval.

3. Information Items

a. Possible recommendation on Policy 940.29, Post-Baccalaureate Tuition.

Deputy Commissioner Barber said that there has been discussion for over a year about whether the policy that requires campuses to charge 120% tuition for a second bachelor's degree makes sense. OCHE was asked to make a recommendation knowing that UM and MSU will lose about \$300,000 a year if the policy is rescinded. Because of the current CAP agreement, OCHE recommends a transition two years out and also recommends the BOR permit a higher charge for graduate programs. Dave Dooley, Provost and VP for Academic Affairs, expressed appreciation for the time, as well as for the flexibility to charge more for certain graduate programs with a differential for non-residents. George White, MSUB Interim Provost & Academic Vice Chancellor, was concerned about an approximate \$120,000 loss to the teacher certification master's program. Provost Dooley noted MSU-Bozeman's post-baccalaureate pre-med program and anatomy education program, and said distinctions might be made between types of programs. Regent Pease said that this discussion provides an opportunity to look at how people are invited back for professional development. Regent O'Loughlin emphasized that this is a very important proposal and it is necessary to act on it.

b. Higher Education Center in Hamilton, Montana – M-Missoula.

President George Dennison of UM-Missoula presented this information as a start in movement in the direction of offering full programs and full degrees in the Bitterroot Valley. He asserted that the community college effort began after this was in motion. In response to a needs survey of the area, UM will offer classes until someone else does. He said he'd come back in a year with a full proposal to the board. Dixie Stark, representative of the Bitterroot Community College Exploratory Committee, said that most of the survey calls did not come from residents of the area. Jim Foley, University Executive Vice President, UM-Missoula, said that a third of the 1600 respondents were from the Bitterroot Valley. Victoria Clark, also of the Bitterroot Community College Exploratory Committee, said she did not feel it was a valid needs assessment for the valley and that currently employed people were surveyed. She considers the proposal for a Higher Education Center in Hamilton a distraction from what the voters have expressed, and that the timing of the offering was suspect. President Dennison said he did not see it as interfering with the community college district but as providing services and that the residents could choose the preferred sponsor. Dixie Stark said she believes there are internal contradictions in the policy in relation to this issue. Ms. Clark said that community college trustees-elect are meeting monthly and that President Dennison could discuss his ideas with them. Chair Hamilton encouraged all concerned to work together on this endeavor.

c. Distance Education Initiative.

Tom Gibson, Director of Distance Learning Business Development for OCHE, summarized his work over the last two years. The legislature has funded the work for another two years. He highlighted four key points: the WICHE program's internet course exchange, of which MSU-Bozeman is currently the only MUS member; MUS general education core online (<http://mus.edu/online>) and distance education funding to identify high demand areas, learning outcome assessments, student support online, and fee structure decisions; and learning management systems at campuses. For the sake of economies of scale, coordination of these is important. Jan Lombardi, Education Policy Advisor to Governor Brian Schweitzer, commended Director Gibson on his accountability efforts. She said that having deliverables, such as the new website, is important in responding to the many questions she gets about this project.

d. Memorandum on Certificates of 30 credits or less.

Deputy Commissioner Barber said that campuses may create certificates of 30 credits or less without Board approval. This memorandum was intended to inform the Board about certificates that have been created under that process. Flathead Valley Community College has been prolific in this area. Chair Hamilton wondered about the termination process for these certificates. Deputy Commissioner Barber said he would come back to the Board with a recommendation.

e. Memorandum on program moratoriums and terminations.

Deputy Commissioner Barber described this as another FYI – a summary of programs no longer in operation. He noted that UM-Missoula did major restructuring of fine arts.

4. Consent Items

a. Level I memorandum.

Deputy Commissioner Barber presented the Level 1 memorandum for the Regents' information. The Regents had no questions or concerns about the memorandum.

Public Comment

There was none.

The meeting adjourned at 4:48 p.m.

Submitted by Jeanne Horvath

September 19 – 21, 2007

ITEM 136-103-R0907

Exception to Policy 301.12, Undergraduate Degree Requirements

THAT:

The Board of Regents of Higher Education approves an exception to Policy 301.12, Undergraduate Degree Requirements: Associate Degrees and Certificates of Applied Science, for the following program:

- the Associate of Applied Science degree in Aviation Technology at The University of Montana-Helena College of Technology.

EXPLANATION:

Policy 301.12 establishes guidelines and characteristics for two-year degree programs. The Policy also establishes an exception procedure for programs that do not comply with those guidelines. That procedure has been followed with this exception request.

The A.A.S. degree in Aviation Technology at The University of Montana-Helena College of Technology exceeds the credit limits established in Policy 301.12. I.E., the degree has 84 credits, and the maximum number of credits for A.A.S. degrees, under the Policy, is 72. The additional credits and the specific curriculum in the degree program are mandated by the Federal Aviation Administration. That mandate is the basis for the exception request.

The Two-Year Education Council, in a meeting on August 21, 2007, approved a recommendation to grant this exception. That recommendation is now before the Montana Board of Regents for approval.

September 19 – 21, 2007

ITEM 136-104-R0907

Compliance Report on Board of Regents' Policy 301.12, Undergraduate Degree Requirements: Associate Degrees and Certificates of Applied Science

THAT:

The Board of Regents of Higher Education requires that all Associate degrees and Certificate of Applied Science degrees in the Montana University System must be in compliance with Policy 301.12, or receive an exception to that Policy, by the March 2008 Board of Regents' meeting; and

The Board of Regents of Higher Education places all programs that have not complied with the above-stated requirement in moratorium at the May 2008 meeting until they are in compliance or have been granted an exception.

EXPLANATION:

In May 2005, the Board of Regents adopted Policy 301.12 as part of its response to the Legislative performance audit on transfer practices in the Montana University System. That policy establishes credit limits and time limits for associate degrees and certificate of applied science degrees. It also establishes guidelines for the appropriate mix of occupational and general education coursework in the degree programs. The Policy also recognizes that an exception may be appropriate in some circumstances, and establishes procedures for the approval of such an exception.

The campuses in the Montana University System have had more than two years to rework their associate degrees and certificates of applied science so they comply with the expectations of Policy 301.12. The Two-Year Education Council has played a leadership role in that effort. But despite the best efforts, and the repeated pleas, of the Council to complete this work, some programs are still out of compliance.

Both the Council and staff members in the Office of the Commissioner of Higher Education think that it is time to establish a deadline for the completion of this work; and, perhaps more importantly, that it is appropriate to establish a significant consequence if the work is not

completed by that deadline. The deadline and the proposed consequence are set out above.

The programs that are currently out of compliance with Policy 301.12, and have not been granted an exception to the Policy, are listed in the memorandum attached to this Item.

TO: Montana Board of Regents
FROM: Roger Barber
Deputy Commissioner for Academic & Student Affairs
RE: Policy 301.12 and Out-of-Compliance Programs
DATE: August 22, 2007

Board of Regents' Policy 301.12, Section I.C.4.(a), states that an Associate of Applied Science degree should be "a program of study (60 – 72 credits) requiring at least four semesters to complete, but no more than two academic years, including a summer session between the academic years if necessary."

The following Associate of Applied Science degrees have too many credits:

- 1) Respiratory Care, MSU-Great Falls College of Technology.
- 2) Automotive Technology, Miles Community College.

The following Associate of Applied Science degrees cannot be completed in two years and a summer session:

- 1) Radiologic Technology, MSU-Billings College of Technology.
- 2) Radiologic Technology, Flathead Valley Community College.
- 3) Radiologic Technology, MSU-Great Falls College of Technology.
- 4) Respiratory Care, MSU-Great Falls College of Technology.
- 5) Radiologic Technology, UM-Missoula College of Technology.

Board of Regents' Policy 301.12, Section I.C.4.(b), states that an Associate of Applied Science degree should have "an occupational emphasis, achieved through a minimum of 2/3rds of the total credits in the degree devoted to technical course work in the discipline specific to the occupational goal."

The following Associate of Applied Science degrees do not have that occupational emphasis:

- 1) Medical Information Technology, UM-Missoula College of Technology.
- 2) Paralegal Studies, UM-Missoula College of Technology.
- 3) Computer Information Systems, MSU-Northern.
- 4) Design Drafting, MSU-Northern.
- 5) Graphic Design, MSU-Northern.
- 6) Electrical Technology, MSU-Northern.
- 7) Equine Studies, Psychology option, UM-Western.

- 8) Equine Studies, Equine Science option, UM-Western.
- 9) Natural Horsemanship, Psychology option, UM-Western.
- 10) Natural Horsemanship, Natural Horsemanship Science option, UM-Western.

Board of Regents' Policy 301.12, Section I.C.2.(a) says that a Certificate of Applied Science shall be "a short program of study (30 – 45 total credits) with the expectation that the certificate can be completed in, at most, one calendar year."

The following Certificates of Applied Science do not satisfy that criteria:

- 1) Farm and Ranch Business Management, Dawson Community College.
- 2) Diesel Technology, UM-Helena College of Technology.
- 3) Pharmacy Technology, UM-Missoula College of Technology.
- 4) Automotive Technology, MSU-Northern.

Board of Regents' Policy 301.12, Section I.C.2.(b) states that a Certificate of Applied Science shall include "general education coursework that meets accreditation requirements and comprises no more than 1/3rd of the total credits in the certificate program."

The following Certificates of Applied Science do not meet that requirement:

- 1) Correctional Officer, Dawson Community College.
- 2) Medical Billing Specialist, MSU-Great Falls College of Technology.
- 3) Agribusiness, Miles Community College.
- 4) Automotive Technology, Miles Community College.
- 5) Building Technology, Miles Community College.
- 6) Heavy Equipment Operator, Miles Community College.
- 7) Health Information Technology, Coding option, Miles Community College.
- 8) Health Information Technology, Medical Transcription option, Miles Community College.
- 9) Office Information Technology, Miles Community College.
- 10) Drafting, Montana Tech of The University of Montana.
- 11) Automotive Technology, MSU-Northern.
- 12) Building Maintenance Engineering, UM-Missoula College of Technology.
- 13) Culinary Arts, UM-Missoula College of Technology.
- 14) Customer Relations, UM-Missoula College of Technology.
- 15) Heavy Equipment Operator, UM-Missoula College of Technology.
- 16) Pharmacy Technology, UM-Missoula College of Technology.
- 17) Sales and Marketing, UM-Missoula College of Technology.

September 19 – 21, 2007

ITEM 136-106-R0907

Recommendation on the Five (5) Per Cent Exemption Pool in the College Preparatory Program, Board of Regents' Policy 301.7

THAT:

The Board of Regents of Higher Education eliminate the five (5) percent exemption pool set out in Procedures, Section 5, of Policy 301.7, College Preparatory Program; Montana University System, effective Fall Semester 2010.

EXPLANATION:

The Office of the Commissioner of Higher Education has been reporting on the College Preparatory Program since its inception more than 20 years ago. Those reports have included information on students who completed the College Preparatory Program during their high school years, and students who were admitted to the Montana University System under an exemption because they did not complete that preparatory work.

At the request of the Board of Regents, OCHE has also been tracking the 2004 – 2005 first-time, full-time student cohort at each of the four-year institutions in the Montana University System. That information confirms what the Board has long suspected, based on past information:

- students who complete the College Preparatory Program earn higher grade point averages, especially 3.0 and better;
- students who complete the College Preparatory Program stay in the Montana University System longer.

Following last year's College Preparatory report, the Board of Regents asked the Office of the Commissioner of Higher Education to make a recommendation on the five (5) percent exemption pool. OCHE staff recommend its elimination in three years for the following reasons:

1) information collected for the Board has repeatedly demonstrated that a college preparatory curriculum in high school translates to success in higher education.

2) several states have made a college preparatory curriculum the default curriculum for all students; and several states have also adopted an even

more rigorous high school curriculum for college-bound students.

3) at the time the policy was adopted in 1984, the five percent exemption pool was only intended as a transitional device, based on the plain meaning of the language in Procedures, Section 5. That transition period expired years ago.

4) elimination of the exemption will have the most impact on the two largest campuses, who have admitted between 60 – 100 students under the five percent rule during the last three years. The impact on the smaller campuses is modest. A table summarizing the number of exemptions on each of the four-year campuses, over the last three years, is attached to this item.

5) campuses may still use the 15% exemption pool, set out in Board of Regents' Policy 301.I.E., if applicants have not completed the College Preparatory Program.

6) students who do not complete the College Preparatory Program can still be admitted to two-year institutions and two-year programs in the Montana University System. They will no longer be able to rely on the myth that the College Preparatory Program isn't really necessary for admission to four-year institutions in the Montana University System, however. That myth is apparently alive and healthy in some circles, according to anecdotal evidence from high school counselors.

7) the recommended implementation date will give current high school students two (2) **full** years to comply with the new admissions' expectation in the Montana University System.

The following information is also attached to this memorandum:

--the 2006 – 2007 College Preparatory Program report; and

--line graphs, for each of the four-year campuses, that compare the performance of the 2004 – 2005 freshman cohort with students in that cohort who were admitted by exemption.

A Summary of
College Prep Exemptions
By Campus from 2004 – 2007

The table below provides some information on the impact to the campuses if the 5% exemption is eliminated under the College Preparatory Program requirement for admission to the four-year campuses:

<u>Campus</u>	<u>Number of Exemptions</u>
UM-Missoula	73 – 101
Montana Tech	1 – 7
UM-Western	6 – 16
MSU-Bozeman	64 – 70
MSU-Billings	1 – 5
MSU-Northern	4 – 8

The numbers are based on information from the last three years, and include the highest and lowest number of exemptions reported by the campuses during that time period.

**MONTANA UNIVERSITY SYSTEM
COLLEGE PREPARATORY PROGRAM EXEMPTIONS (POLICY 301.7)
ACADEMIC PROGRESS OF EXEMPTED IN-STATE STUDENTS**

ACADEMIC YEAR 2006-2007

	<u>UM</u>	<u>TECH</u>	<u>UM-W</u>	<u>MSU</u>	<u>MSUN</u>	<u>MSUB</u>	<u>SYSTEM</u>
Total number of In-State First-Time, Full-Time, First-Year students ^a :	1279	270	158	1226	158	379	3470
# of In-state, First-time, Full-Time, First-Year Students Admitted Under the 5% College Prep Exemption Policy:	101	3	6	81	4	5	200
% of College Prep Exemptions of In-State, First-Time, Full-Time, First-Year Students:	7.90%	1.10%	3.80%	6.61%	2.53%	1.32%	5.76%

Academic Progress^b

Distribution by College GPA of ALL In-State, First-time, Full-time, First Year Students

	<u>UM</u>	<u>TECH</u>	<u>UM-W</u>	<u>MSU</u>	<u>MSUN</u>	<u>MSUB</u>
% with 3.0 or greater:	44.00%	44.40%	44%	45%	32.28%	38%
% with 2.50 - 2.99:	18.00%	20.70%	22%	19%	21.52%	21%
% with 2.00 - 2.49:	11.00%	11.90%	15%	12%	18.35%	14%
% below 2.00:	18.00%	18.50%	15%	14%	27.85%	11%
% of All In-State, First-Time, Full-Time, First-Year Students with no reported GPA ^c :	9.00%	4.10%	4%	11%	0.00%	16%

Academic Progress^b

Distribution by College GPA of In-State, First-Time, Full-time, First-Year Students

	<u>UM</u>	<u>TECH</u>	<u>UM-W</u>	<u>MSU</u>	<u>MSUN</u>	<u>MSUB</u>
Receiving the Exemption						
% with 3.0 or greater:	29.00%	33.30%	50%	32%	0	40%
% with 2.50 - 2.99:	17.00%	0.00%	0%	16%	0	20%
% with 2.00 - 2.49:	12.00%	0.00%	17%	14%	0	40%
% below 2.00:	27.00%	33.30%	33%	23%	100%	0%
% of Exemptions with no reported GPA ^c :	16.00%	33.30%	0%	15%	0	0%

^a Based on admissions during the 2006-2007 Academic Year

^b Overall GPA at the end of the reporting period

^c No longer in attendance at the end of the reporting period

Definitions

First-Time, First-Year: An entering freshman who has never attended any college or who entered with advanced standing (college credits earned before graduation from high school).

Full-Time: A student taking eight or more credits in a semester.

MONTANA UNIVERSITY SYSTEM
COLLEGE PREPARATORY PROGRAM EXEMPTIONS (POLICY 301.7)
ACADEMIC PROGRESS OF EXEMPTED IN-STATE STUDENTS

ACADEMIC YEAR 2006-2007 For the 2004-2005 Student Cohort

	<u>UM</u>	<u>TECH</u>	<u>UM-W</u>	<u>MSU</u>	<u>MSUN</u>	<u>MSUB</u>	<u>SYSTEM</u>
Total number of In-State First-Time, Full-Time, First-Year students ^a :	1306	239	182	1388	150	412	3677
# of In-state, First-time, Full-Time, First-Year Students Admitted Under the 5% College Prep Exemption Policy:	80	7	9	70	8	1	175
% of College Prep Exemptions of In-State, First-Time, Full-Time, First-Year Students:	6.1%	2.9%	4.9%	5.0%	5.3%	0.2%	4.8%

Academic Progress^b

	<u>UM</u>	<u>TECH</u>	<u>UM-W</u>	<u>MSU</u>	<u>MSUN</u>	<u>MSUB</u>
% with 3.0 or greater: (AY 2004-2005)	42.8%	48.1%	38.0%	51.2%	37.3%	42.0%
% with 3.0 or greater: (AY 2005-2006)	30.5%	35.1%	33.5%	34.6%	32.0%	29.0%
% with 3.0 or greater: (AY 2006-2007)	26.0%	32.1%	22.0%	34.0%	24.0%	26.0%
% with 2.50 - 2.99: (AY 2004-2005)	18.2%	18.8%	18.4%	20.7%	20.0%	17.0%
% with 2.50 - 2.99: (AY 2005-2006)	13.7%	13.6%	17.6%	17.3%	15.0%	14.0%
% with 2.50 or greater: (AY 2006-2007)	13.0%	14.2%	14.0%	15.0%	12.0%	8.0%
% with 2.00 - 2.49: (AY 2004-2005)	13.8%	7.5%	13.8%	10.5%	12.0%	15.0%
% with 2.00 - 2.49: (AY 2005-2006)	9.0%	12.8%	9.3%	9.9%	11.0%	5.0%
% with 2.00 or greater: (AY 2006-2007)	10.0%	9.2%	3.0%	7.0%	8.0%	4.0%
% below 2.00: (AY 2004-2005)	23.6%	19.6%	14.9%	17.2%	28.0%	18.0%
% below 2.00: (AY 2005-2006)	14.3%	5.4%	4.9%	4.4%	9.0%	4.0%
% below 2.00 or greater: (AY 2006-2007)	4.0%	4.6%	1.0%	2.0%	3.0%	2.0%
% of All In-State, First-Time, Full-Time, First-Year Students with no reported GPA ^c : (AY2004-2005)	1.5%	4.2%	14.9%	0.5%	2.7%	8.0%
% of All In-State, First-Time, Full-Time, First-Year Students with no reported GPA ^c : (AY2005-2006)	31.0%	33.0%	34.6%	33.8%	33.0%	48.0%
% of All In-State, First-Time, Full-Time, First-Year Students with no reported GPA ^c : (AY 2006-2007)	47.0%	40.0%	60.0%	42.0%	53.0%	60.0%

Academic Progress^b

Distribution by College GPA of In-State, First-Time, Full-time, First-Year Students	<u>UM</u>	<u>TECH</u>	<u>UM-W</u>	<u>MSU</u>	<u>MSUN</u>	<u>MSUB</u>
% with 3.0 or greater: (AY 2004-2005)	23.8%	30.0%	22.3%	25.7%	12.5%	100.0%
% with 3.0 or greater: (AY 2005-2006)	13.8%	14.3%	11.1%	11.4%	25.0%	100.0%
% with 3.0 or greater: (AY 2006-2007)	8.0%	0.0%	12.0%	11.0%	0.0%	100.0%
% with 2.50 - 2.99: (AY 2004-2005)	22.5%	40.0%	11.2%	22.9%	50.0%	0.0%
% with 2.50 - 2.99: (AY 2005-2006)	16.6%	0.0%	33.3%	15.7%	0.0%	0.0%
% with 2.50 - 2.99: (AY 2006-2007)	10.0%	14.3%	18.0%	9.0%	25.0%	0.0%
% with 2.00 - 2.49: (AY 2004-2005)	16.2%	0.0%	22.3%	10.0%	0.0%	0.0%
% with 2.00 - 2.49: (AY 2005-2006)	7.6%	0.0%	0.0%	14.3%	12.5%	0.0%
% with 2.00 - 2.49: (AY 2006-2007)	14.0%	14.3%	3.0%	14.0%	13.0%	0.0%
% below 2.00: (AY 2004-2005)	35.0%	30.0%	44.2%	38.6%	37.5%	0.0%
% below 2.00: (AY 2005-2006)	16.6%	14.3%	0.0%	7.1%	12.5%	0.0%
% below 2.00: (AY 2006-2007)	10.0%	14.3%	0.0%	1.0%	0.0%	0.0%
% of Exemptions with no reported GPA ^c : (AY 2004-2005)	2.5%	0.0%	0.0%	2.9%	0.0%	0.0%
% of Exemptions with no reported GPA ^c : (AY 2005-2006)	44.8%	0.0%	55.6%	51.4%	50.0%	0.0%
% of Exemptions with no reported GPA ^c : (AY 2006-2007)	58.0%	71.4%	67.0%	64.0%	62.0%	0.0%

^a Based on admissions during the 2005-2006 Academic Year

^b Overall GPA at the end of the reporting period

^c No longer in attendance at the end of the reporting period

Definitions

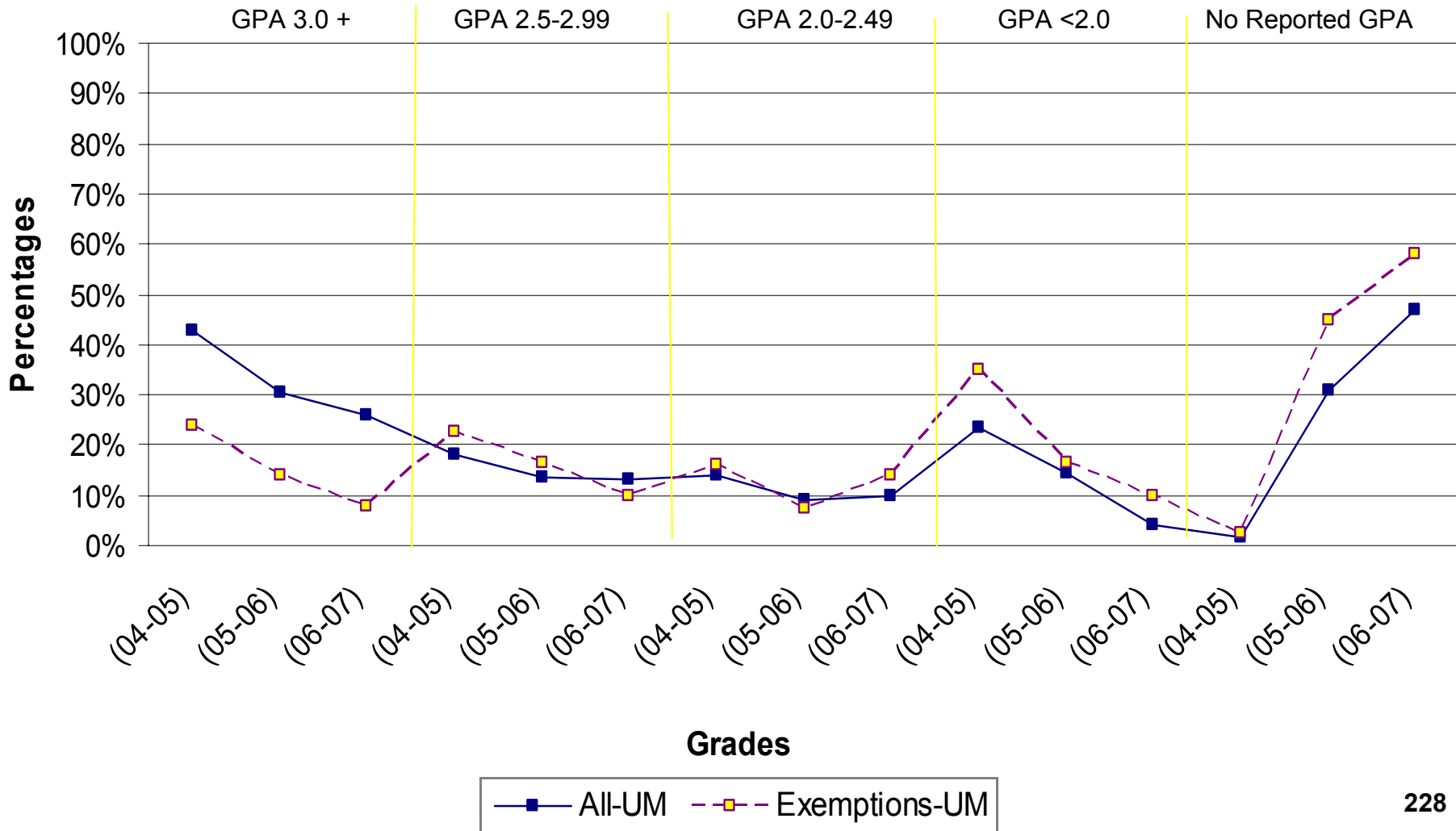
First-Time, First-Year: An entering freshman who has never attended any college or who entered with advanced standing (college credits earned before graduation from high school).

Full-Time: A student taking eight or more credits in a semester.

Revised August 30, 2007

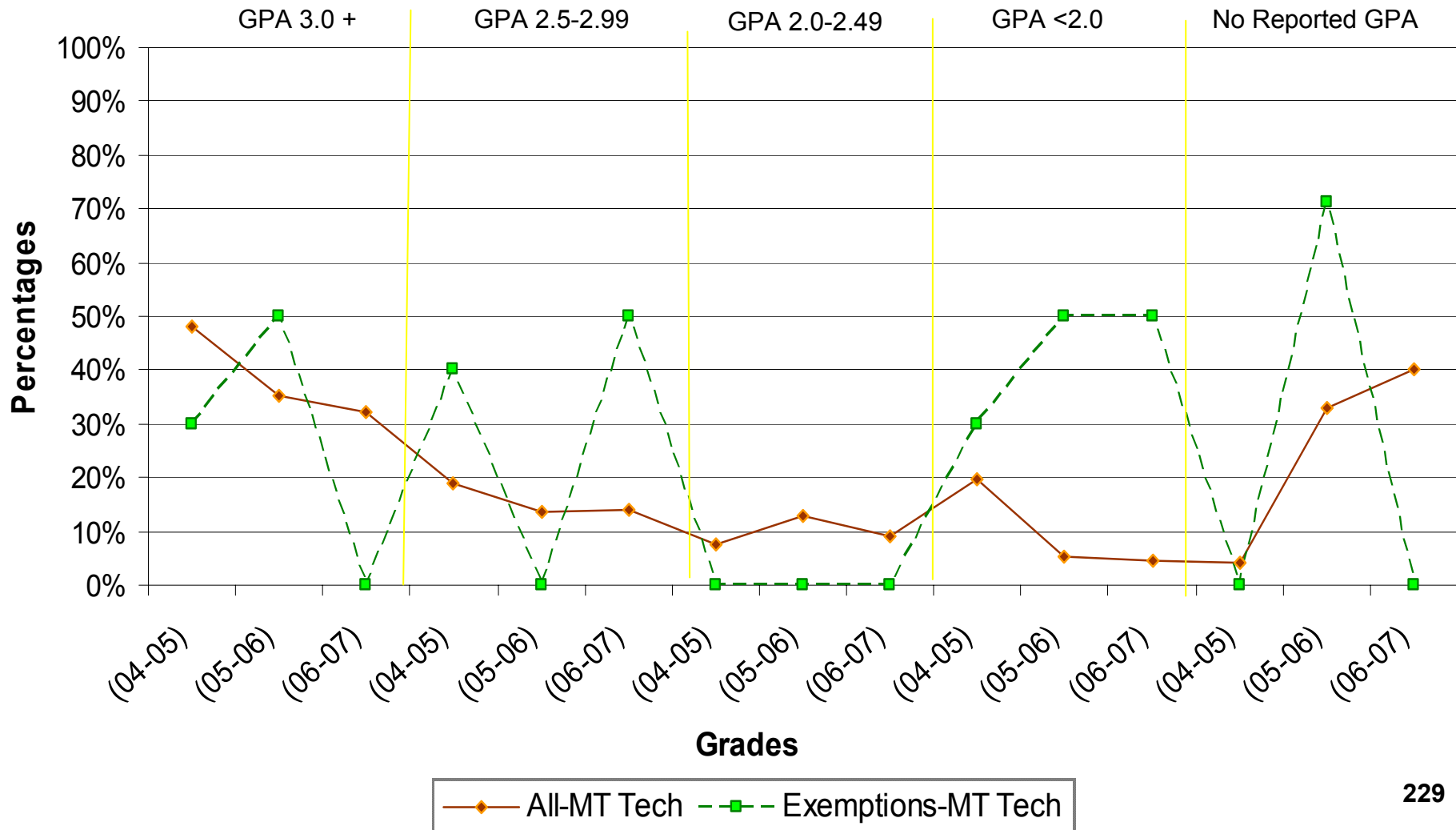
College Preparatory Exemptions

The University of Montana - Missoula



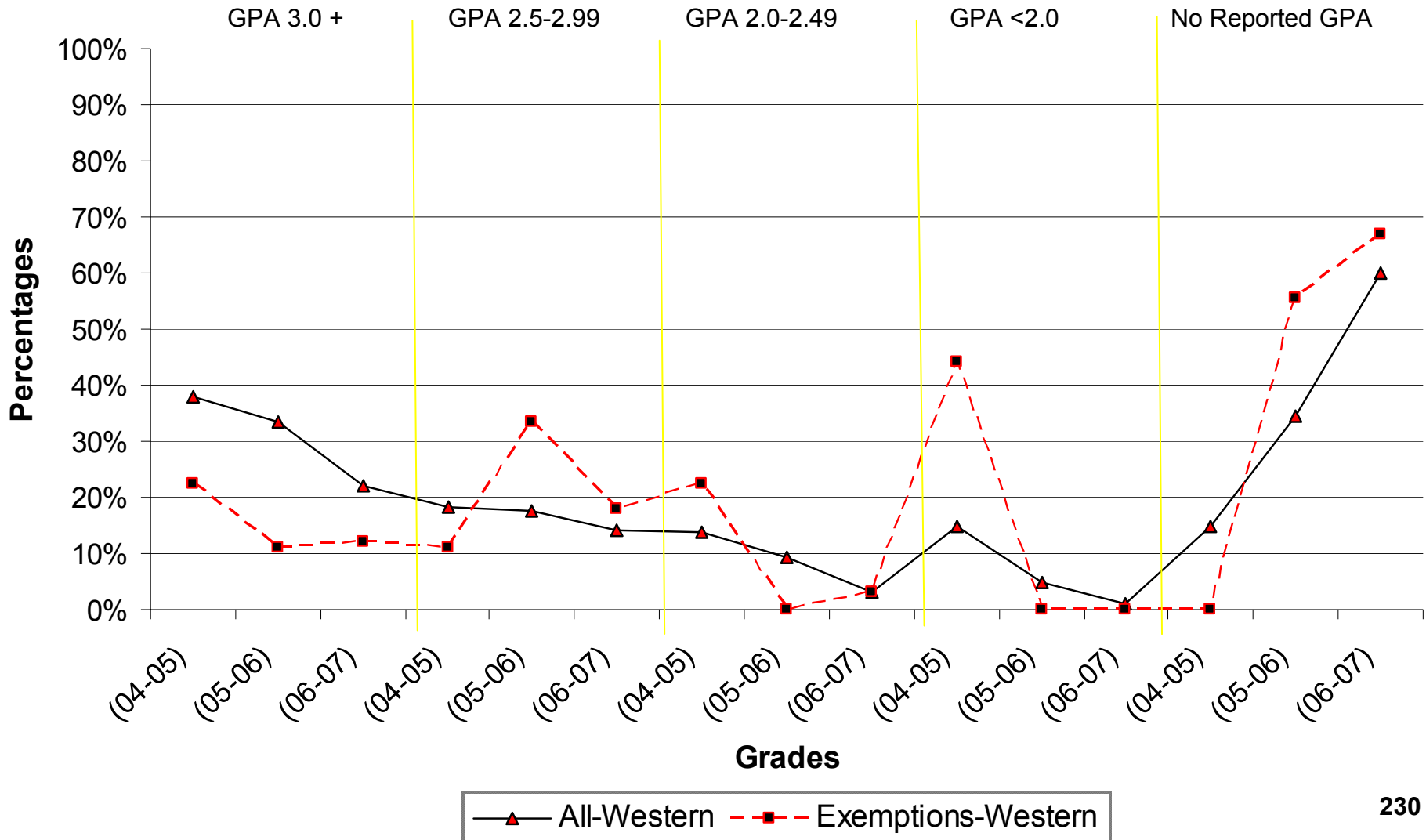
College Preparatory Exemptions

Montana Tech of The University of Montana



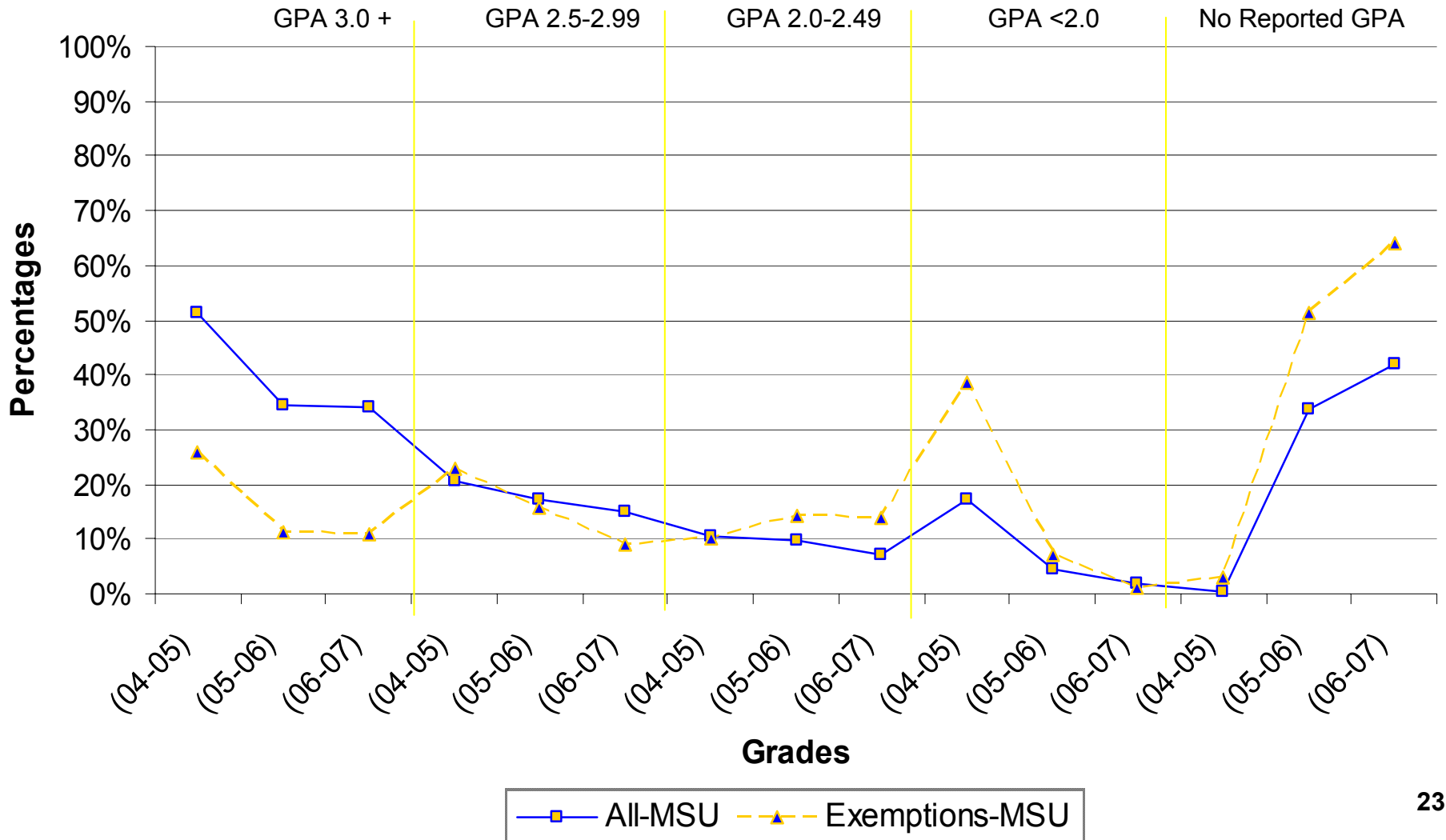
College Preparatory Exemptions

The University of Montana-Western



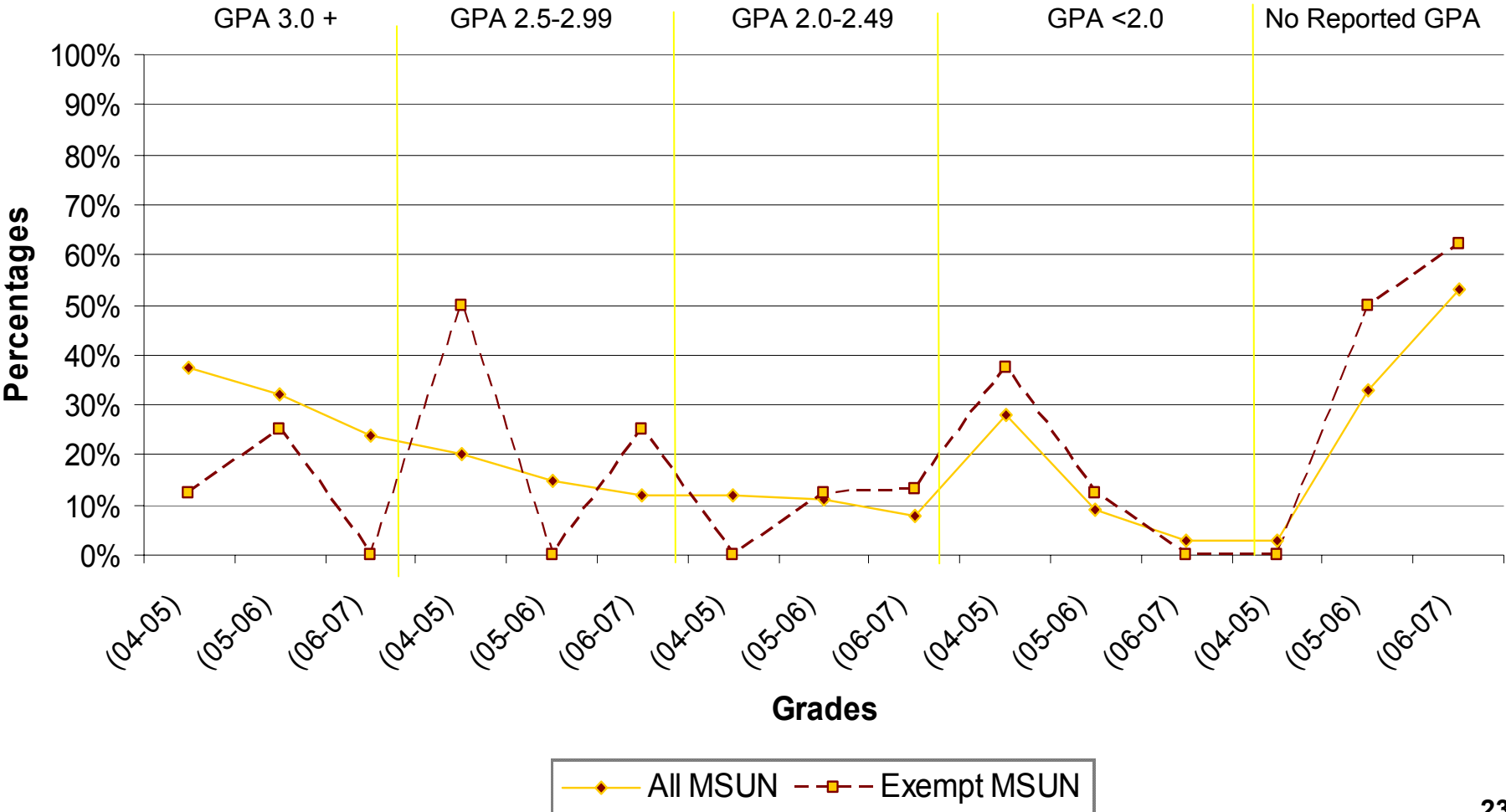
College Preparatory Exemptions

Montana State University-Bozeman



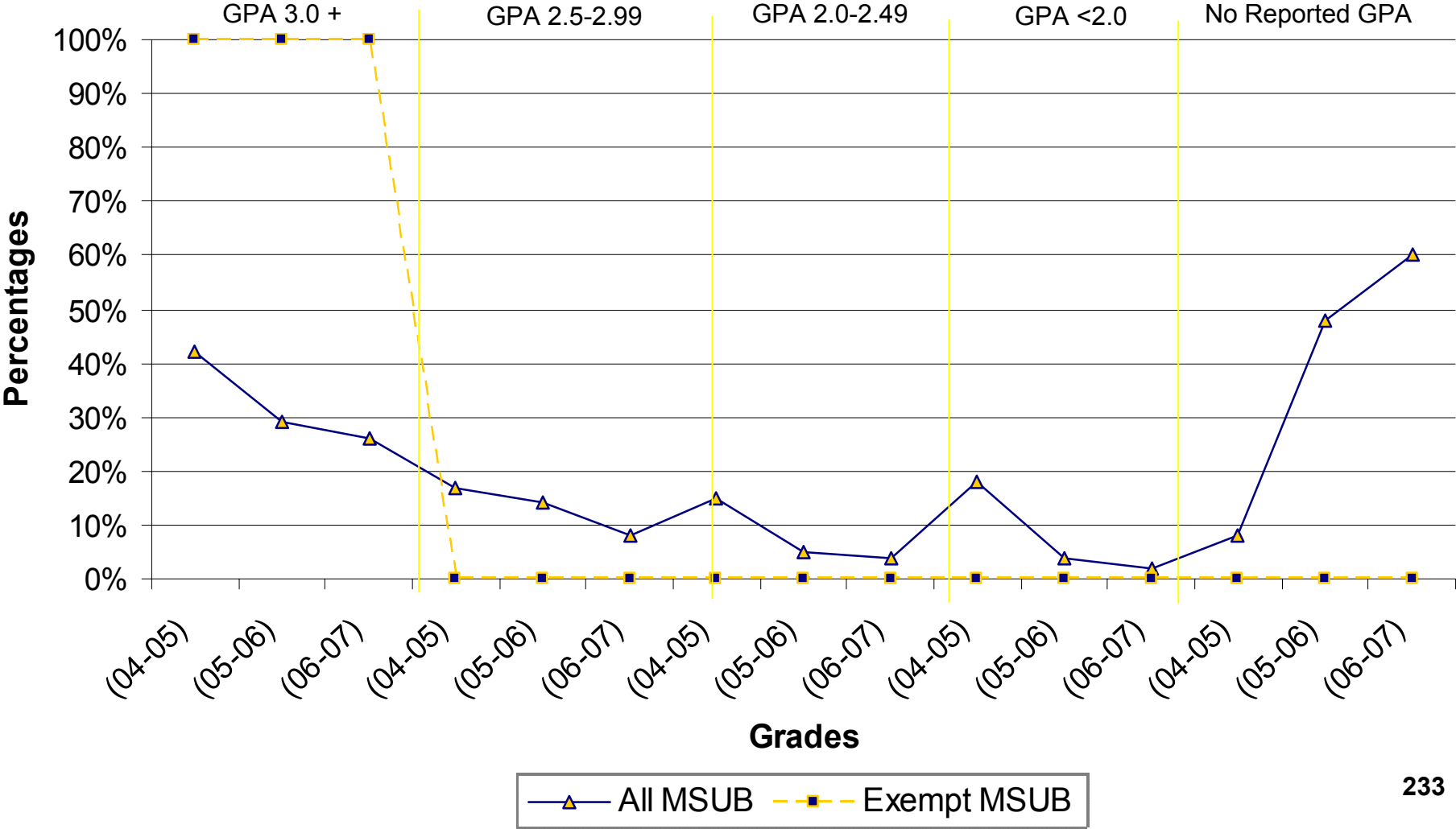
College Preparatory Exemptions

Montana State University-Northern



College Preparatory Exemptions

Montana State University-Billings



July 11-12, 2007

ITEM 136-2701-R0707

Approval of Proposal for a New Minor Degree in Health Communication; Montana State University-Billings

THAT:

Montana State University-Billings College of Arts & Sciences seeks approval from the Montana Board of Regents to add a Minor in Health Communication where there is no major, pursuant to Board of Regents 303.12.

EXPLANATION:

The Level II request is being submitted to add a Minor in Health Communication for existing majors across the MSU-Billings campus. The new minor is an undergraduate corollary to an existing graduate track in Health Communication in the Masters of Science in Public Relations. The new minor will be offered to students from the Colleges of Business, Allied Health and Liberal Arts to augment their learning in related fields. The new minor will also offer cross-listed courses with the College of Business, and Departments of Health Administration and Health and Human Performance.

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.: 136-2701-R0707 Date of Meeting: July 11-12, 2007
Institution: Montana State University-Billings
Program Title: Minor in Health Communication

Level II proposals require approval by the Board of Regents.

Level II action requested (check all that apply): Level II proposals entail substantive additions to, alterations in, or termination of programs, structures, or administrative or academic entities typically characterized by the (a) addition, reassignment, or elimination of personnel, facilities, or courses of instruction; (b) rearrangement of budgets, cost centers, funding sources; and (c) changes which by implication could impact other campuses within the Montana University System and community colleges. Board policy 303.1 indicates the curricular proposals in this category:

- 1. Change names of degrees (e.g. from B.A. to B.F.A.)
- 2. Implement a new minor where there is no major;
- 3. Establish new degrees and add majors to existing degrees;
- 4. Expand/extend approved mission; and
- 5. Any other changes in governance and organization as described in Board of Regents' Policy 218, such as formation, elimination or consolidation of a college, division, school, department, institute, bureau, center, station, laboratory, or similar unit.

Specify Request:

Montana State University Billings seeks approval from the Montana Board of Regents of Higher Education to offer a minor in Health Communications. The proposed minor would cross-list courses from three other departments in two other colleges, the College of Allied Health and the College of Business. Full department-head support has been obtained from those collaborators. The minor would be available to any student, university-wide, but particularly to students majoring in any communications discipline, health administration, health and human performance or marketing. The program will be available in both live and online formats. No additional staffing or resources would be required. The new minor is an undergraduate correlary to an existing graduate track in Health Communication in the Masters of Science in Public Relations. There is no existing program within the MSU-Billings nor the state university system in Montana that emphasizes the intersection between the health and communication fields of study.

MONTANA BOARD OF REGENTS

NEW ACADEMIC PROGRAM PROPOSAL SUMMARY

Institution: Montana State University-Billings

Program Title: Minor in Health Communication

1. How does this program advance the campus' academic mission and fit priorities?

The proposed minor will provide high quality undergraduate and graduate programs in Arts and Sciences, Business, and Human Services - because it is a blend of three colleges and disciplines. The program will maintain an active community of learners engaged in teaching, research, scholarship and creative endeavor, and service - by teaching students to apply their work in the community and to understand the relationship between what they learn and what they do. It will provide a strong and expanding program of outreach to the state and region - by offering a very popular and growing area of expertise in a program unique to this region. The program will promoted a strong public service mission by showing students how to use their communication skills to address local health problems. The proposed Health Communication Minor fits with the university mission to:

- provide high quality undergraduate and graduate programs in Arts and Sciences, Business, and Human Services - because it is a blend of three colleges and disciplines;
- maintain an active community of learners engaged in teaching, research, scholarship and creative endeavor, and service - by teaching students to apply their work in the community and to understand the relationship between what they learn and what they do;
- serve the southern and eastern Yellowstone Region of Montana as a center of excellence in teaching and learning - by giving students the skills that will simultaneously feed the expanding economies of this region and address the public health needs;
- provide a strong and expanding program of outreach to the state and region - by offering a very popular and growing area of expertise in a program unique to this region; and
- a strong public service mission - by showing students how to use their communication skills to address local health problems..

2. How does this program fit the Board of Regents' goals and objectives?

The health care industry is the fastest growing sector of the Yellowstone County economy, and in the United States. Recent growth in technology has multiplied communications needs among these health industries. Thirty percent of new job growth is in the health care sector nationwide, including the state of Montana. The health industry is the largest employer in Montana and particularly Eastern Montana. Health literacy is a growing concern for appropriate and efficient delivery of health services - a need which health communication experts can address. Knowledge of how to communicate health information across cultures is also a growing need as the region and country become increasingly diverse.

- The program will increase participation, retention and graduation rates in the Montana University System by adding an attractive degree program that has high market value.
- The program will expand and improve the state's economy by educating individuals with job skills that meet growing economic needs in the health care sector.
- By specifying the required skill set for health communication expertise the progra will greatly enhance the state university system's efficiency and effectiveness.

3. How does this program support or advance Montana's needs and interests?

The program will serve the southern and eastern Yellowstone Region of Montana as a center of excellence in teaching and learning - by giving students the skills that will simultaneously feed the expanding economies of this region and address the public health needs. As mentioned above, the program offers a strong public mission - by showing students how to use their communication skills to address local health problems.

- Public health problems have been identified as most clearly treatable through prevention, requiring improvements in behavior change communication. The National Institutes of Health have designated behavior change communication research and skills as the number area for growth in coming decades.

- Given the great potential of communication skills to address serious public health problems occurring both locally and nationally, this program may provide a vital skill and knowledge set to student graduates who may go on to help change the world

4. How will this program contribute to economic development in Montana? (Note projected annual economic impact both regionally and statewide.)

Attaining a college degree is related to the increased income. With health care industry being the fastest growing sector of the Yellowstone County economy, public health problems have been identified as most clearly treatable through prevention, requiring improvements in behavior change communication. The National Institutes of Health have designated behavior change communication research and skills as the number one area for growth in coming decades. Given the great potential of communication skills to address serious public health problems occurring both locally and nationally, this program will provide the vital skills and knowledge set to student graduates to implement beneficial changes within the world public health care system.

5. What is the program's planned capacity?

• Break-even point?	0 FTE students
• Enrollments / year?	5/10/15
• Graduates / year?	15-20
• MT jobs / year?	+10

6. Resource Allocation:

• Total program budget?	\$ 0
• Faculty FTE?	Serviced by existing faculty
• Staff FTE?	Serviced by existing department administrative assistants.

7. Does this program require new resources? Yes No

If yes, what is the amount? \$ _

8. How will the campus fund the program?

From existing committed sources, student tuition and state support.

9. If internal reallocation is necessary, name the sources.

None

1. Overview

Provide a one paragraph description of the proposed program. Be specific about what degree, major, minor or option is sought.

Montana State University Billings Department of Communication and Theatre seeks approval from the Montana Board of Regents to offer a minor in Health Communications. The proposed minor would cross-list courses from three other departments in two other colleges, the Colleges of Allied Health and Business. Full department-head support has been obtained from those collaborators. The minor would be available to any student, university-wide, but particularly to students majoring in any communications discipline, health administration, health and human performance or marketing. The program will be available in both live and online formats. No additional staffing or resources would be required. The new minor is an undergraduate correlary to an existing graduate track in Health Communication in the Masters of Science in Public Relations. There is no existing program within the MSU-Billings nor the state university system in Montana that emphasizes the intersection between the health and communication fields of study.

The goals and objectives of this new minore are to:

- Improve students' knowledge of how to apply communication research skills to achieve health education and communication objectives
- Improve students' knowledge of how to apply communication writing & production skills to achieve health education and communication objectives
- Improve students' understanding of health educational theory as it applies to communication in the health area
- Improve students' skills & understanding of the marketing process in order to achieve health education and communication objectives

2. Need

a. To what specific need is the institution responding in developing the proposed program?

The health care industry is the fastest growing sector of the Yellowstone County economy, and in the United States. Recent growth in technology has multiplied communications needs among these health industries. Thirty percent of new job growth is in the health care sector nationwide, including the state of Montana. The health industry is the largest employer in Montana and particularly Eastern Montana. Health literacy is a growing concern for appropriate and efficient delivery of health services - a need which health communication experts can address. Knowledge of how to communicate health information across cultures is also a growing need as the region and country become increasingly diverse.

b. How will students and any other affected constituencies be served by the proposed program?

Given the great potential of communication skills to address serious public health problems occurring both locally and nationally, this program ma provide a vital skill and knowledge set to student graduates who may go on to achieve gainful employment and simultaneously help improve communities.

c. What is the anticipated demand for the program? How was this determined?

Public health problems have been identified as most clearly treatable through prevention, requiring improvements in behavior change communication. The National Institutes of Health have designated behavior change communication research and skills as the number area for growth in coming decades.

We expect to attract at least 20 students per year to the program. This number was determined by examining the large pool of potential applicants from which it will draw. As the largest undergraduate and graduate major in the College, with 166 students, the Communication & Theatre Department is in need of offering students specialized options that reflect personal interests and employment opportunities. The program would also draw from approximately 327 majors in the College of Allied Health, 125 majors in pre-professional health-care programs, 588 majors in the College of Business, and any of the 1,191 College of Arts and Sciences majors. The program will increase participation, retention and graduation rates in the Montana University System by adding an attractive degree program that has high market value.

3. Institutional and System Fit

- a. What is the connection between the proposed program and existing programs at the institution?

The new minor is an undergraduate corollary to an existing graduate track in Health Communication in the Masters of Science in Public Relations. This program takes advantage of new courses that are being added by the various departments regardless of the new minor (see attached course descriptions). The new minor will be offered to students from the Colleges of Business, Allied Health and Liberal Arts to augment their learning in related fields. The new minor will also offer cross-listed courses with the College of Business, and Departments of Health Administration and Health and Human Performance.

- b. Will approval of the proposed program require changes to any existing programs at the institution? If so, please describe.

No curricular changes will be required.

- c. Describe what differentiates this program from other, closely related programs at the institution (if appropriate).

There is no existing offering within the MSU-Billings system that offers any program emphasizing the intersection between the health and communication fields of study.

- d. How does the proposed program serve to advance the strategic goals of the institution?

The proposed Health Communication Minor fits with the university mission to:

- provide high quality undergraduate and graduate programs in Arts and Sciences, Business, and Human Services - because it is a blend of three colleges and disciplines;
- maintain an active community of learners engaged in teaching, research, scholarship and creative endeavor, and service - by teaching students to apply their work in the community and to understand the relationship between what they learn and what they do;
- serve the southern and eastern Yellowstone Region of Montana as a center of excellence in teaching and learning - by giving students the skills that will simultaneously feed the expanding economies of this region and address the public health needs;
- provide a strong and expanding program of outreach to the state and region - by offering a very popular and growing area of expertise in a program unique to this region; and

- a strong public service mission - by showing students how to use their communication skills to address local health problems
- e. Describe the relationship between the proposed program and any similar programs within the Montana University System. In cases of substantial duplication, explain the need for the proposed program at an additional institution. Describe any efforts that were made to collaborate with these similar programs; and if no efforts were made, explain why. If articulation or transfer agreements have been developed for the substantially duplicated programs, please include the agreement(s) as part of the documentation.

There are no degree programs in the state of Montana that offer undergraduates an opportunity to specialize in Health Communication.

4. Program Details

- a. Provide a detailed description of the proposed curriculum. Where possible, present the information in the form intended to appear in the catalog or other publications. NOTE: In the case of two-year degree programs and certificates of applied science, the curriculum should include enough detail to determine if the characteristics set out in Regents' Policy 301.12 have been met.

Course of Study

Catalogue Copy

For students who are gaining certification in health communication to enhance their expertise in marketing, health administration, health and human performance, communications and other disciplines.

Required courses

COMT 322 Principles of Public Relations
COMT 480/580 Health Communication
COMT 481/581 Media for Social Change
MKT 343 Integrated Marketing Communication
HADM 210 Health Care Mega Trends
HHP 330 Health Behavior Theory or HHP 211 Community Health (online)

Electives (pick 2):

MKT 344 Applied Marketing Communication
HADM 450 Health Policy & Politics
HADM 307 Informatics
HADM 445 Managing Health Care Organizations
HADM 440 Managerial Epidemiology
HHP 364 Research Methods in Health
HHP 435 Health Aspects of Aging
HHP 432 Nutrition in Health & Human Performance

HHP 411 Alcohol, Tobacco and Other Drug Use

- b. Describe the planned implementation of the proposed program, including estimates of numbers of students at each stage.

Since no new programming will be required, existing courses will be offered at their current scheduled rotation. It is expected that at least 5 students will enroll in the new minor the first year, 10 the second, 15 the third, and 20, achieving full capacity by the fourth year of implementation.

**Suggested Plan of Study
Health Communication Minor**

First Year*

ENGL 150
ENGL 226
STAT 141
COMT 130
General Education
COMT 110

Second Year

COMT 201
COMT 210
STAT 241
COMT 222
General Education

Third Year

COMT 310
COMT 322
COMT 320
COMT 480
HHP 330 or HHP 211
HADM 210

Fourth Year

MKT 343
COMT 481/581
HADM elective(s)
HHP elective(s)

*The first and second years of study will vary by major. The above plan of study is described for a student major in any of the Communication Studies disciplines who

chooses to minor in Health Communication. The third and fourth years of study are expected to be more similar for students coming from other majors.

5. Resources

a. Will additional faculty resources be required to implement this program? If yes, please describe the need and indicate the plan for meeting this need.

NA

b. Are other, additional resources required to ensure the success of the proposed program? If yes, please describe the need and indicate the plan for meeting this need.

NA

6. Assessment.

How will the success of the program be measured?

Success will be assessed by student interest, i.e. ongoing levels of enrollment in the minor, and by job success rates of graduates, in comparison with non-minors who share the same majors.

7. Process Leading to Submission

Describe the process of developing and approving the proposed program. Indicate, where appropriate, involvement by faculty, students, community members, potential employers, accrediting agencies, etc.

This proposal was instigated by one faculty member in the Department of Communication & Theatre (Dr. Sarah N. Keller) in consultation with Dean Tasneem Khaleel (Dean, College of Arts & Sciences), Dr. Sheila McGinness (Program Director, Health Administration), Dr. Ernie Randolfi (Program Director, Health & Human Performance), and Dr. Mary McNally (Professor, College of Business). All participants expressed strong support for the program and recognized a community and economic need for the resulting graduates. Student interest and availability of existing resources also contributed to the request.

The health care industry is the fastest growing sector of the Yellowstone County economy, and in the United States. Recent growth in technology has multiplied communications needs among these health industries. Thirty percent of new job growth is in the health care sector nationwide, including the state of Montana. The health industry is the largest employer in Montana and particularly Eastern Montana. Health literacy is a growing concern for appropriate and efficient delivery of health services - a need which health communication experts can address. Knowledge of how to communicate health information across cultures is also a growing need as the region and country become increasingly diverse.

Public health problems have been identified as most clearly treatable through prevention, requiring improvements in behavior change communication. The National Institutes of Health have designated behavior change communication research and skills as the number area for growth in coming decades, resulting in increased jobs in health communication.

Health Communication Minor—Class Descriptions:

Core:

COMT 322 Principles of Public Relations 3 cr. Prerequisite: COMT 222. Explores the fundamentals of the public relations field and develops the skills necessary for the public relations practitioner. The course provides the student with practical experience in the development of public relations materials, such as brochures and press releases, as well as the skill for the implementation of communication programs within the organization

COMT 480/580 Health Communication 3 cr. Explores key findings in health communication research and practice, focusing on a wide range of media (e.g., brochures, posters, radio, television, telephone hotlines, Internet) and a wide range of health objectives (e.g., STD/HIV prevention, smoking cessation, cardiovascular disease prevention). We will examine the literature and key health communication campaigns to determine what are the key ingredients of successful or effective approaches in each medium, for different types of messages and target audiences.

COMT 481/581 Media for Social Change 3 cr. Examines the application of commercial marketing technologies to the analysis, planning, execution, and evaluation of programs designed to influence the voluntary behavior of target audiences in order to improve their personal welfare and that of their society.

MKT 343 Integrated Marketing Communications 3 cr. Prerequisites: Admission to upper division standing and MKT 340 or consent of department. Emphasizes theories and practices of advertising, sales promotion and public relations in the marketing program. Includes promotional planning and strategy, program integration and effectiveness and relevant communications concepts.

HADM 210 Health Care Mega Trends 3 cr. Provides an introduction to the health care system in the United States and an overview of the professional, political, social, and economic forces that have shaped it in the past and will continue to determine health care in the future

HHP 330 Health Behavior Theories 3 cr. Provides an overview of the various behavior change theories with specific attention given to individual health behavior, interpersonal health behavior, and group intervention models of health behavior change. Behavior change theories are discussed in terms of their application to curriculum development and program planning models.

HHP 211 Community Health 3 cr. Promotes an understanding of the spread and control of communicable diseases and explores the epidemiology and prevention of chronic degenerative diseases. The material for this course will be taught in three main parts: Unit 1: Foundations of Community Health, Unit 2: The Nation's Health, and Unit 3: Health Care Delivery.

Electives:

MKT 443 Applied Marketing Communications 3 cr. Prerequisites: MKT 340, MKT 343, or consent of department. Develops marketing communications involving business and community clients. Project management and budget analysis is essential to the quality and accuracy of communication plans. The end goal of the course is the development of communication deliverables using interdisciplinary skills from across the campus and community

HADM 450 Health Policy and Politics 3 cr. Prerequisites: HADM 210, HADM 290, HADM 310 or consent of instructor. Provides students with an overview of the political context of healthcare organization and delivery. Specific attention will focus on health care regulations, payment sources, and policy formulation and implementation

HHP 432 Nutrition in Health and Human Performance 3 cr. Explores the relationships between nutrition, human behavior, epidemiology, and human performance. Course topics will include nutrition for disease prevention and treatment, obesity and weight control, eating for endurance and non-endurance sport performance, nutritional ergogenic aids, digestion, absorption and metabolism related to energy production, eating disorders, dietary analysis and prescription.

HHP 364 Research Methods in Health and Human Performance 3 cr. Provides students with experience and knowledge which will allow them to critically analyze and evaluate completed research in health and human performance. Examines methods of assessment, prescription, and evaluation in health and human performance activities.

HHP 435 Health Aspects of Aging 3 cr. Addresses the rapidly increasing need for specialized knowledge of health promotion for an aging society (in 2020, 20% of the US population will be 65 or older). Introduces the epidemiology of aging and age-related disorders, including overviews of the public health impact of an aging society and the demographics and biology of aging. Covers the strategies for prevention of age-related disorders and options to improve the quality of life through health enhancement.

Staffing Pattern Proposed for Health Communication Minor

Course Title	Course Number	Frequency Offered	Staff
Principles of Public Relations	COMT 322	1/semester	Dr. Keller, Dr. Weiss
Health Communication	COMT 480/580	1/year	Dr. Keller
Media for Social Change	COMT 481/581	1/year	Dr. Keller
Integrated Marketing Communication	MKT 343	1/year	Dr. Otjen
Health Care Mega Trends	HADM 210	1/year	Dr. McGuiness
Health Behavior Theories	HHP 330	1/semester	Dr. Randolfi
Community Health	HHP 210	1/year	TBD

BUDGET ANALYSIS

Proposed Program: Minor in Health Communication										
Campus: Montana State University Billings										
	07-08		08-09		09-10		10-11		11-12	
Estimated ENROLLMENT										
FTE Enrollment	5		10		15		20		20	
Estimated Incremental REVENUE										
Use of Current General Operating Funds					-		-		-	
State Funding for Enrollment Growth					28,320		37,760		37,760	
Tuition Revenue										
A. Gross Incremental Tuition Revenue	18,810		37,620		56,430		75,240		75,240	
B. Reductions to Incremental Tuition										
C. Net Tuition Revenue (A-B)	18,810		37,620		56,430		75,240		75,240	
Program/Course Fees										
External Funds										
Other Funds (please specify)										
TOTAL Estimated Incremental Revenue	18,810		37,620		84,750		113,000		113,000	
Estimated Incremental EXPENDITURES										
Personal Services	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost
Faculty	0.10	6,400	0.20	12,800	0.20	12,800	0.50	32,000	0.50	32,000
Other Staff										
Operating Expenses										
Equipment										
Start-up Expenditures					-		-			
TOTAL Estimated Incremental Expenditures	6,400		12,800		12,800		32,000		32,000	
Estimated Revenues Over/(Under) Expenditures	12,410		24,820		71,950		81,000		81,000	

Feb. 13, 2007

Sue [Balter-Reitz],

A minor in health communication makes sense for your program and, of course, you should do whatever you can to improve opportunities for students. Health has become an important focus of communication research and education nationally and is not a narrow or unusual specialization. I am sure that there will be interest in the minor. This is the type of program that would be a good fit for undergraduates preparing for post-graduate education in health disciplines (e.g., health education, allied health, medical school). These students need a broad, relevant liberal arts education that prepares them in the social sciences, along with the natural sciences, so that they can better deal with interpersonal, group and public communication issues that are central to careers in health.

We currently offer one course dealing with health and have ambitions to do more (especially in the area of health campaigns) but need additional expertise to expand in this area. So, I support your proposal, with the provision that establishing a minor in health communication at MSU-Billings does not eliminate the need for additional expertise and coursework on communication and health at UM-Missoula and should not constrain our ability to expand in this area in the future.

On another note, I've had discussions with administrators about the possibility of expanding our online courses to offer a full major online. We're close now (just missing a few required courses) but cannot commit to offering all of the necessary courses on a regular basis into the future. (Among other things, the courses are primarily offered by adjunct instructors, who change over time. It is not always easy to find people with appropriate qualifications for upper level courses.) One thing I've mentioned is the possibility of partnering with another institution that offers a number of online communication courses, so that students could easily take courses from either program and apply them to the major. Of course, there are a number of complications. In any event, I've suggested MSU-Billings as a possible partner. What are your thoughts about this?

Alan Sillars
Dept. of Communication
University of Montana at Missoula

Dr. Sarah N. Keller
Assistant professor
Dept. of Communication & Theatre
MSU-Billings

Oct. 3, 2006

Dear Dr. Keller,

I fully support the inclusion of our course, MKT 343 Integrated Marketing Communication, in your proposed Health Communication Minor. I welcome the opportunity to teach students from across the university and to combine our areas of expertise to enrich students' career opportunities.

Yours,

Prof. A. J. Otjen
Assistant Professor
Marketing
College of Business
MSU-Billings

February 15, 2007

Sarah N. Keller, Ph.D., MA
Department of Communication and Theatre
LA 602
MSU-Billings
1500 University Dr.
Billings, MT 59101

**Division of
Health Sciences**

Dear Dr. Keller,

I am writing to offer my strong support for the development of a Health Communications Minor at MSU-Billings. As Vice Provost for Health Sciences at MSU-Bozeman, I am responsible for a variety of state-wide health initiatives, including the Montana Office of Rural Health, the Montana Area Health Education Center and the WWAMI Medical Education program, so I am well aware of the challenges facing Montanans in the arenas of health care delivery and health literacy. Programs such as yours will go a long way to prepare our students for productive careers in these areas. The establishment of this program as a specific interdisciplinary program will help to attract students into our workforce, which will be an excellent addition to our current degree programs.

I would be happy to assist you in any way I can and thanks for leading this effort.

Sincerely,



Linda E. Hyman, Ph.D.
Vice Provost for Health Sciences
Director, WWAMI Medical Education Program
Assistant Dean, University of Washington School of Medicine

*A campus-wide partnership
of colleges, departments,
centers and programs at
Montana State University
that promotes health-related
research.*

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Fax (406) 994-4398

MONTANA STATE UNIVERSITY – BILLINGS
INTEROFFICE MEMORANDUM

DATE: October 25, 2006

TO: Dr. Sarah Keller
Department of Communication and Theater

FROM: Jay Shaw, Chair
Department of Health & Human Performance



SUBJECT: Health Communications Minor

The Department of Health and Human Performance support the development of a minor in Health Communication. Health promotion and human performance students in our program will be encouraged to consider this minor.



Access & Excellence

**College of Allied Health Professions
Health Administration Program**
1500 University Drive
Billings, Montana 59101-0298
Office: 406-896-5830 Fax: 406-657-225
Email: healthadministration@msubillings.edu

Date: October 23, 2006

To: Dr. Sarah Keller
Communications and Theater

From: Dr. Sheila McGinnis, Program Director
Health Administration

Re: Health Communication Minor

Health Administration faculty recently met with you and discussed your proposed curriculum revisions for a new Minor in Health Communication. As we discussed, our department supports this curricular change and thinks it will be a valuable expansion of MSUB course options.

There is clearly considerable interest in, and demand for, health-related program options in our region. In addition, health literacy is critical need across the country, and your minor will help prepare our graduates to address this gap. Health administration supports your curriculum enhancements and appreciates the opportunity to partner with you on this minor.

July 11–12, 2007

ITEM 136-2851-R0707 **Approval to Retitle the Certificate in Network Technology and EMT-Paramedic; Montana State University-Great Falls**

THAT: MSU-Great Falls College of Technology requests to change the Certificate in Network Technology to a Certificate of applied Science in Network Infrastructure and the Certificate in EMT-Paramedic and to a Certificate of Applied Science in EMT – Intermediate 99.

EXPLANATION: The College requests to change the following Certificates to Certificates of Applied Science:

EMT-Intermediate 99
Network Infrastructure

The programs' curricula have been modified and adopted by the College for the programs to comply with Montana Board of Regents' Policy 301.12. These changes have been approved by the College's Curriculum Committee and therefore the only action being requested by the Montana Board of Regents is in the name of the degree, which will become Certificates of Applied Science upon board approval.

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.:	136-2851-R0707	Date of Meeting:	July 11-12, 2007
Institution:	Montana State University-Great Falls COT		
Program Title:	Certificates To Certificates Of Applied Science		

Level II proposals require approval by the Board of Regents.

Level II action requested (check all that apply): Level II proposals entail substantive additions to, alterations in, or termination of programs, structures, or administrative or academic entities typically characterized by the (a) addition, reassignment, or elimination of personnel, facilities, or courses of instruction; (b) rearrangement of budgets, cost centers, funding sources; and (c) changes which by implication could impact other campuses within the Montana University System and community colleges. Board policy 303.1 indicates the curricular proposals in this category:

- 1. Change names of degrees (e.g. from B.A. to B.F.A.)
- 2. Implement a new minor or certificate where there is no major or no option in a major;
- 3. Establish new degrees and add majors to existing degrees;
- 4. Expand/extend approved mission; and
- 5. Any other changes in governance and organization as described in Board of Regents' Policy 218, such as formation, elimination or consolidation of a college, division, school, department, institute, bureau, center, station, laboratory, or similar unit.

Specify Request:

Montana Board of Regents' Policy 301.12, Undergraduate Degree Requirements: Associate Degrees and Certificates of Applied Science, adopted by the Board in May 2005, creates a Certificate of Applied Science as a new degree in the Montana University System. Before the adoption of that new policy, a Certificate was the only name available for such a credential.

A name change for a degree program (e.g., from Certificate to Certificate of Applied Science) ordinarily requires a Level II document with all of the supporting paperwork and information. This Level II request is being submitted, without the documentation, to change the following Certificates to Certificates of Applied Science:

EMT-Intermediate 99
Network Infrastructure

The programs' curricula have been modified and adopted by the College for the programs to comply with Montana Board of Regents' Policy 301.12. These changes have been approved by the College's Curriculum Committee and therefore the only action being requested by the Montana Board of Regents is in the name of the degree, which will become Certificates of Applied Science upon board approval.

Attachment

MSU-Great Falls College of Technology requests approval from the Montana Board of Regents and the Montana University System to Re-title the College's Certificate in EMT-Paramedic to a Certificate of Applied Science in EMT-Intermediate 99.

The following curriculum has been approved by the College's Curriculum Committee and by the Montana Board of Regents at the May 2007 meeting.

**EMT-Intermediate 99
Certificate of Applied Science**

Fall Semester

Course No.	Title	Credits
AH 140	Pharmacology	2
AH 145	Introduction to Medical Terms	1
ENGL 119	Intro to College Writing **	4
COMM 135	Interpersonal Communication	3
EMT 137	EMT-Basic	6
		Subtotal 16

Spring Semester

Course No.	Title	Credits
MATH 161	Algebra s/Science App **	3
EMS 140	Intermediate I*	4
EMS 155	Intermediate II*	3
EMS 217	Intermediate III*	4
EMS 222	Intermediate I Clinical*	1
EMS 227	Intermediate II Clinical*	2
		Subtotal 17

Total Program Credits – 33~

+ A grade of "C" or above required for graduation | * Indicates prerequisites needed
| ** Placement in course(s) is determined by admissions assessment

~Many students need preliminary Math, English, and/or Computer courses before enrolling in the program required courses. These courses may increase the total number of program credits. Students should review their Math and English placement scores as well as high school transcripts with an advisor before planning out their full program schedule.

Attachment

Network Infrastructure Certificate of Applied Science

MSU-Great Falls College of Technology requests approval from the Montana Board of Regents and the Montana University System to Re-title the College's Certificate in Network Technology to a Certificate of Applied Science in Network Infrastructure.

The following curriculum has been approved by the College's Curriculum Committee and by the Montana Board of Regents at the May 2007 meeting.

Required General Education Courses

Course #	Course Title	Credits
ENGL 121**+	Composition I	3
COM 135**+	Interpersonal Communication	3
MATH 108**+	Algebra for College Students OR	
MATH 130**+	Pre-calculus Algebra OR	
MATH 150 **+	Math for Liberal Arts OR	
MATH 181**+	Calculus	3/4

Required Technical Core Courses

Course #	Course Title	Credits
CIT 111+	Introduction to Computers	3
CIT 125**+	Fund of Voice and Data Cabling	3
CIT 126*+	Networking Fundamentals	3
CIT 176*+	Routers and Routing Basics	3
CIT 226*+	Switching Basics & Int. Routing	3
CIT 276*+	Introduction to WAN Technologies	3
CIT 272*+	PC Troubleshooting/Maintenance	3

Total Program Credits 30-31

Program Outcomes:

Upon the completion of the Networking Infrastructure Certificate students should be prepared to:

- Demonstrate an entry level understanding of network infrastructure cabling.
- Install and basically configure network routers and switches.
- Pass the Cisco Certified Network Associate industry standard certification exam with at least an 80%.
- Pass the CompTIA A+ industry standard certification exam battery with at least an 80%.
- Obtain and keep an entry level computer networking professional position in the workforce.

July 11-12, 2007

ITEM NO 136-1002-R0707 Approval to Convert the Option in Athletic Training to a Major

THAT: In accordance with Montana University System Policy, the Board of Regents of Higher Education authorizes The University of Montana – Missoula to convert the existing Athletic Training Option to a Major.

EXPLANATION: The University of Montana currently offers a Bachelor of Science in Health and Human Performance (HHP) with an Option in Athletic Training. The latest accreditation standards require all athletic training education programs to have majors; whereas previous standards accepted an option as a "major equivalent." It is in the State's best interest to convert to a major to comply with accreditation standards and preserve it as a unique offering to Montana students. Converting this Option to a Major will permit The University of Montana campus to maintain the State of Montana's only undergraduate CAATE accredited athletic training education program, thereby being responsive to the needs of Montanans, the region and the nation.

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.: 136-1002-R0707 Date of Meeting: July 11-12, 2007
Institution: The University of Montana
Program Title: Major in Athletic Training in the Health and Human Performance Department

Level II proposals require approval by the Board of Regents.

Level II action requested (check all that apply): Level II proposals entail substantive additions to, alterations in, or termination of programs, structures, or administrative or academic entities typically characterized by the (a) addition, reassignment, or elimination of personnel, facilities, or courses of instruction; (b) rearrangement of budgets, cost centers, funding sources; and (c) changes which by implication could impact other campuses within the Montana University System and community colleges. Board policy 303.1 indicates the curricular proposals in this category:

- 1. Change names of degrees (e.g. from B.A. to B.F.A.)
- 2. Implement a new minor where there is no major;
- 3. Establish new degrees and add majors to existing degrees;
- 4. Expand/extend approved mission; and
- 5. Any other changes in governance and organization as described in Board of Regents' Policy 218, such as formation, elimination or consolidation of a college, division, school, department, institute, bureau, center, station, laboratory, or similar unit.

Specify Request:

The University of Montana- Missoula requests permission to convert the Option in Athletic Training to a Major, as required to maintain accreditation.

Proposal

Description of program

The change requested is to convert the Athletic Training Option in the Health and Human Performance Department (HHP) to a Major in order to comply with CAATE accreditation standards. The curriculum and resources will not change.

Athletic Training Education Program (ATEP)

The University of Montana currently offers a Bachelor of Science in Health and Human Performance (HHP) with an option in Athletic Training. The Athletic Training Education Program (ATEP) is the only undergraduate curriculum in the State of Montana accredited by the Commission on Accreditation of Athletic Training Education (CAATE). The ATEP is a demanding curriculum which requires dedication and commitment. Upon graduation, a variety of professional career opportunities are available to our graduates.

Following are the requirements and various options available with respect to students' professional goals. Academic advisors are available to assist students in this practical and challenging professional program.

Admission

Students who desire admission into the ATEP must submit a formal application to the program director. The application deadline is February 1. The application form is available from the HHP department.

Each application for admission to the professional ATEP is reviewed by a review board consisting of the ATEP director and clinical instructors as well as other professionals. Formal notification of admission to the professional ATEP is sent to the candidate prior to the pre-registration period for autumn semester.

Candidates who are not admitted to the ATEP will receive written notification of this decision. All qualified candidates might not be admitted to the professional ATEP due to the limited number of clinical openings.

Interview Requirements

The following selection criteria must be met to be considered for an interview:

1. Minimum overall GPA of 2.75. All pre-professional ATEP course requirements must have no grade lower than "C."
2. A written "Statement of Purpose" attached to the application form. Applicants must address the following:
 - reason for applying to this professional concentration
 - perception of the profession
 - future expectations upon completion of the professional ATEP
 - past experience in athletic training
 - any other areas or comments considered appropriate
3. Three professional letters of recommendation
4. Completion of 140 hours of clinical observation in athletic training and Level 1 modules and clinical proficiencies (See the Pre-ATEP Policy & Procedure Manual (http://www.soe.umt.edu/hhp/athletic_training/) or contact the program director for this information)

5. Blood-borne pathogen requirements as described on the above website
6. Completion or approaching completion of the prerequisite courses
7. Completion of established technical standards and a passed pre-program physical examination by the team physician
8. Criminal background check

Note: Transfer students will be required to complete all the pre-professional requirements and also submit an application as required in the admissions policies.

Professional ATEP

The ATEP is divided into a pre-professional program lasting approximately two to three years and a professional program during the final two years. The professional program requires 4 semesters of clinical education and sequential courses; therefore, students must enter the program during autumn semester. Upon admission into the professional program, the following requirements must be met:

- Accumulate a minimum of 1,000 hours of clinical practicum within a two year period. No more than one-half (500) of this minimum (1,000) can be credited per academic year; the hours must be equally distributed each semester (250 per semester).
- Demonstrate progressive improvement as an athletic training student throughout the practicum, per CAATE guidelines and The University of Montana-Missoula's ATEP expectation.
- Complete the required curriculum sequentially.
- Send for the NATA-BOC Application at least three months prior to the expiration date.
- Maintain current appropriate First Aid and CPR cards (see the HHP First Aid Requirements <http://www.soe.umt.edu/hhp>).
- Maintain a 2.75 overall GPA and receive no lower than a "C" in any professional course.
- Hepatitis B immunization must be completed before initiating clinical education.
- Meet established technical standards and pass a pre-program physical examination by the team physician.
- The University of Montana provides liability insurance for all ATEP professional students.

Athletic Training Core Courses

<u>Course</u>	<u>Out of Department</u>
Biol 106	Elementary Medical Microbiology
Biol 312	Anatomy and Physiology I
Biol 313	Anatomy and Physiology II
Chem 151	General & Inorganic Chemistry
Chem 152	Organic & Biological Chemistry
Comm 111	Introduction to Public Speaking
CS 171	Communication Via Computers
Enex 101	English Composition
FOR 220	Technical Writing
Math 117	Probability and Linear Math
PHAR 110	Use & Abuse of Drugs
PSYC 100	Introduction to Psychology

<u>Course</u>	<u>In Department</u>
HHP 181	Foundations in HHP
HHP 184	Personal Health and Wellness
HHP 226	Basic Exercise Prescription
HHP 240	Prevention and Care of Athletic Injuries
HHP 241	Prevention and Care of Athletic Injuries Laboratory
HHP 242	Directed Clinical Observations
HHP 288	First Aid and CPR
HHP 289	First Aid and CPR
HHP 340-341	Practicum in Athletic Training I, II
HHP 342	Advanced Techniques of Athletic Training
HHP 343	Advanced Techniques of Athletic Training Laboratory
HHP 361	Assessment in Physical Education and Health
HHP 365	Measurement in HHP Professions
HHP 366	Measurement and Modalities
HHP 367	Measurement and Modalities Laboratory
HHP 368	Applied Anatomy and Kinesiology
HHP 369	Applied Anatomy and Kinesiology Laboratory
HHP 372	Rehabilitation of Athletic Injuries
HHP 373	Rehabilitation of Athletic Injuries Laboratory
HHP 377	Physiology of Exercise
HHP 378	Physiology of Exercise Laboratory
HHP 384	Motor Control and Learning
HHP 401	Evaluation of Athletic Injuries
HHP 402	Evaluation of Athletic Injuries Laboratory
HHP 411-412	Advanced Practicum in Athletic Training I, II
HHP 446	Nutrition for Sport
HHP 475E	Legal and Ethical Issues in Exercise Professions
HHP 479	Sports Medicine
HHP 485	Theories of Health Behavior and Counseling

Students need to meet General Education Requirements in addition to the above curriculum.

Documented Need

The University of Montana Athletic Training Education Program is the only undergraduate CAATE accredited program (ATEP) in Montana. The latest accreditation standards require all athletic training education programs to have majors; whereas previous standards accepted an option as a "major equivalent." It is in the State's best interest to convert to a major to comply with accreditation standards and preserve it as a unique offering to Montana students.

It is the position of CAATE, supported by the National Athletic Trainers Association (NATA) and the other three sponsoring organizations (American Academy of Pediatrics, American Academy of Family Physicians, and the American Orthopedic Society for Sports Medicine) that the educational content required of an entry-level athletic training educational program, as defined by the NATA Educational Competencies, is unique to the profession of Athletic Training, comprehensive in its content, and contains sufficient importance and potential for public health impact to warrant its own academic recognition to be recognized as an academic major (see Standard I1).

Standard I1, Description of the Program, states that *the athletic training education program must be an undergraduate or graduate program that offers a major or graduate equivalent in athletic training. The undergraduate major or graduate major equivalent must be:*

- I1.1** *consistent with other majors offered within the institution,*
- I1.2** *identified as an academic athletic training major program in institutional academic publications, and*
- I1.3** *indicated on the official transcript of the student as is normally designated for other undergraduate majors or graduate major equivalents at the institution.*

Programs previously found to be in compliance with the former CAAHEP Standard regarding the "major" requirement, may not be in compliance with the CAATE Standard. This incongruence may occur, because, in the past, there were not clearly delineated criteria for evaluation by which to determine whether an ATEP was a major compared to the rest of the majors offered at the institution. It was acceptable for a program to be listed as an option, concentration or emphasis as long as the institution could verify that it met the same criteria as a major; in these cases programs were considered "major equivalent." The CAATE Standards now eliminate potential points of inconsistency and clarifies these criteria for evaluation, delineating them clearly in the latest CAATE Standards. In either regard, the criteria for evaluation, whether delineated previously or not, now are clarified and standardized for all to use consistently for evaluation.

Additional Courses

No additional courses are necessary.

Adequacy of Current Resources

No additional resources are necessary.

Accreditation Status

The University of Montana Athletic Training Education Program was a National Athletic Trainers' Association (NATA) approved curriculum from 1971-1991. In 1991 the approval process converted to accreditation and the UM ATEP then became accredited by the Commission on Accreditation of Allied Health Education Programs (CAAHEP) from 1991-2005. In 2005 CAAHEP was replaced by the Commission on Accreditation of Athletic Training Education (CAATE). In 2006, the ATEP submitted a self-study and was evaluated via an on campus site-visit and was re-accredited by CAATE. The University of Montana of ATEP remains the only undergraduate accredited program in Montana. In 2006-2007 CAATE introduced new standards whereby all athletic training education programs were required to be a major (see Standard I1 stated above). Being a major is pivotal to maintain accreditation status.

Assessment Plan

Assessment plans for HHP, specifically athletic training are already filed with the Provost's Office. No curricular changes will occur. Assessment plans remain the same.

Additional Faculty Requirements

No new faculty members are required.

Impact on Facilities

No impact on HHP or university facilities.

Cost Analysis

No additional costs will be incurred in converting from an option to a major.

Enrollment Impact

Although converting the athletic training program from an option to a major may attract more students, the impact is not known at this time

Relationship to other campus programs

No other program will be affected by converting the athletic training option to a major.

Relationship to Other Institutions

The University of Montana offers the only CAATE accredited undergraduate athletic training education program in Montana therefore there are no relationships with other institutions. There will be no impact on other institutions.

Description of Proposal Development Process

The proposal originated in the Health and Human Performance (HHP) Department Curriculum Committee. The committee brought a seconded motion to the HHP faculty, where the motion was approved. The Chair of HHP and the Dean of the School of Education then signed the documents necessary to submit the proposal to the Provost's Office and the Faculty Senate.

This Proposal was reviewed and approved by the affected departments:

Department Name: Health and Human Performance

Date: March 2, 2007

In addition, the Deans of the following Schools/Colleges reviewed and approved the Proposal:

Dean of: School of Education

Date: March 2, 2007

Dean of: The Mansfield Library

Date: March 5, 2007

The proposal was reviewed and approved by the Faculty Senate at its April 2007 meeting.

ITEM: 136-1003-R0707

Separation of The Department of Educational Leadership & Counseling into two Departments: "Educational Leadership" and "Counselor Education."

THAT:

In Accordance with Montana University System Policy, the Board of Regents of Higher Education authorizes The University of Montana-Missoula to separate the Department of Educational Leadership and Counseling into two Departments: "Educational Leadership" and "Counselor Education."

EXPLANATION:

This proposal requests the granting of separate Department Status to each discipline located in the current Department of Educational Leadership and Counseling: "Educational Leadership" and "Counselor Education."

Established in 1992, the combination of the two disciplines fit at the time because the overall unit was small and both programs focused only on graduate education. Since then, Educational Leadership has grown from four to five tenure track faculty members and Counselor Education from two to four.

The Department of Educational Leadership and Counseling has functioned as two separate programs with the exception of Department faculty evaluation standards and processes. Largely housed in separate campus buildings, each discipline maintained separate curricula, programs, accreditation standards, graduate students and faculty disciplines. Administratively, they have functioned separately.

In the spring of 2005, the external reviewer brought in to assess the department according to Board of Regents policy suggested that there was unnecessary duplication involved in maintaining communication in a combined Department and recommended separation.

As a result of much discussion over the years, separation into two Departments is supported by all Department faculty members to achieve clarity of purpose, assessment and mission.

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.:	136-1003-R0707	Date of Meeting:	July 11-12, 2007
Institution:	The University of Montana - Missoula		
Program Title:	Separation of the Department of Educational Leadership & Counseling Into Two Departments: "Educational Leadership" And "Counselor Education"		

Level II proposals require approval by the Board of Regents.

Level II action requested (check all that apply): Level II proposals entail substantive additions to, alterations in, or termination of programs, structures, or administrative or academic entities typically characterized by the (a) addition, reassignment, or elimination of personnel, facilities, or courses of instruction; (b) rearrangement of budgets, cost centers, funding sources; and (c) changes which by implication could impact other campuses within the Montana University System and community colleges. Board policy 303.1 indicates the curricular proposals in this category:

- 1. Change names of degrees (e.g. from B.A. to B.F.A.)
- 2. Implement a new minor or certificate where there is no major or no option in a major;
- 3. Establish new degrees and add majors to existing degrees;
- 4. Expand/extend approved mission; and
- 5. Any other changes in governance and organization as described in Board of Regents' Policy 218, such as formation, elimination or consolidation of a college, division, school, department, institute, bureau, center, station, laboratory, or similar unit.

Specify Request:

The University of Montana-Missoula requests permission to separate the current Department of Educational Leadership and Counseling into two departments: Educational Leadership and Counselor Education.

1. Overview

Provide a one paragraph description of the proposed program. Be specific about what degree, major, minor or option is sought.

This proposal is not for the approval of a program, but for the granting of separate Departmental status to each discipline located in the current Department. The Department of Educational Leadership and Counseling was established in 1992 when the large "Department of Professional Education" in the School of Education separated into two units, "Curriculum and Instruction" and "Educational Leadership and Counseling." At the time, Educational Leadership had four tenure track faculty members and Counselor Education had two tenure track faculty members. Each discipline maintained at that time and has continued to maintain separate curricula, programs, accreditation standards, graduate students and faculty disciplines. The combination of the two disciplines fit at the time because the overall unit was small and both programs focused only on graduate education. Presently the Unit has five tenure track faculty in Educational Leadership and four in Counselor Education. There is presently a stipend for both a Department Chair and a Program Chair.

From the external perspective, there exists some confusion about the relationship between the two graduate programs within the Department, especially with regard to assessment, mission statement, data gathering and analysis, and resource allocation. As a result of much discussion over the years, separation into two Departments is supported by all Department faculty to achieve clarity of purpose, assessment and mission.

2. Need

- a. **To what specific need is the institution responding in developing the proposed program?**
- b. **How will students and any other affected constituencies be served by the proposed program?**
- c. **What is the anticipated demand for the program? How was this determined?**

We propose the separation because the two programs have functioned separately administratively since 1992, though until recently certain data (student FTE for example) was reported combined. The data reports have now been separated. The budget has been allocated largely according to the number of faculty in each Department discipline. Each program has its own mission statement, admissions process, degree programs, student policies, comprehensive examinations, and masters and doctoral committees. As well, there is little to no overlap in faculty discipline, knowledge base, professional associations, scholarly research activities and publications.

The separation will provide better clarity for students as well. Both disciplines and their programs conduct separate student assessment processes. Faculty in each discipline are largely not acquainted with students in the other discipline.

The enrollments for both programs are strong and the separation will not likely affect demand in any way.

3. Institutional and System Fit

- a. What is the connection between the proposed program and existing programs at the institution?**
- b. Will approval of the proposed program require changes to any existing programs at the institution? If so, please describe.**
- c. Describe what differentiates this program from other, closely related programs at the institution (if appropriate).**
- d. How does the proposed program serve to advance the strategic goals of the institution?**
- e. Describe the relationship between the proposed program and any similar programs within the Montana University System. In cases of substantial duplication, explain the need for the proposed program at an additional institution. Describe any efforts that were made to collaborate with these similar programs; and if no efforts were made, explain why. If articulation or transfer agreements have been developed for the substantially duplicated programs, please include the agreement(s) as part of the documentation.**

The program is under the School of Education and will continue to be so. It will not require any changes to other existing programs at the institution, as no additional courses are proposed nor is any additional faculty needed.

The separation of the program will not affect the "institutional and system fit." The change is not the implementation of a new program, but the continuation and clarification of an existing one.

To further promote separation, though both Educational Leadership and Counseling advance the strategic goals of the University of Montana, the goals of each differ. Educational Leadership has developed a strong and vital, largely cohort-based doctoral program. Educational Leadership provides advanced degrees and training for outstanding leaders in education both in Montana and abroad. Counselor Education provides primarily terminal master's level academic and clinical training for licensed school counselors and mental health counselors in Montana and the United States. Counselor Education has a small doctoral program intended for those seeking faculty positions in higher education in Counselor Education, but for most students, the master of arts in Counseling is what is needed for professional employment. Both disciplines and their programs conduct separate student assessment processes. Faculty in each discipline are largely not acquainted with students in the other discipline.

4. Program Details

- a. Provide a detailed description of the proposed curriculum. Where possible, present the information in the form intended to appear in the catalog or other publications. NOTE: In the case of two-year degree programs and certificates of applied science, the curriculum should include enough detail to determine if the characteristics set out in Regents' Policy 301.12 have been met.**
- b. Describe the planned implementation of the proposed program, including estimates of numbers of students at each stage.**

The curriculum for each program remains unchanged.

5. Resources

- a. Will additional faculty resources be required to implement this program? If yes, please describe the need and indicate the plan for meeting this need. Are other, additional resources required to ensure the success of the proposed program? If yes, please describe the need and indicate the plan for meeting this need.**

No additional faculty or resources will be needed for the separation of the departments. However, the creation of two Departments will be followed by the appointment of a Department Chairperson for each, in accordance with the Collective Bargaining Agreement between the University Teachers' Union and the Montana University System (sections 16.200ff.). Compensation and release time will be consistent with Section 13.510 for departments with fewer than nine members. Funds already exist in the current stipends for Department Chair and Program Director.

After the approval of departmental separation, both units will review the current and recently-approved faculty evaluation standards in accordance with the Collective Bargaining Agreement (Section 10). Until these are potentially revised and approved for the new Departments, the current Department faculty evaluation standards will be used.

The current Departmental library budget will be allocated at separation according to the 5/9 and 4/9 formula.

6. Assessment/Accreditation

Educational Leadership is accredited by NCATE.

Counselor Education is accredited by NCATE (School Counseling) and CACREP (School Counseling and Mental Health Counseling). Neither program's accreditation status will be affected by separation. Indeed, separation will likely assist in the data-gathering and clarity of mission necessary for successful accreditation reviews.

7. Process Leading to Submission

Describe the process of developing and approving the proposed program. Indicate, where appropriate, involvement by faculty, students, community members, potential employers, accrediting agencies, etc.

In Spring 2005, the external reviewer that assessed the department in accordance with Board of Regents policy suggested that there was unnecessary duplication involved in maintaining communication in a combined Department and suggested separation. The two programs in the Department are also largely housed in separate campus buildings.

Furthermore, there has been an ongoing discussion for many years regarding the separation into two Departments through various meetings with faculty, students and staff. The separation is supported by all Department faculty members:

Educational Leadership

Roberta Evans, Ed.D., Professor and Dean, School of Education

Merle Farrier, Ed.D., Associate Professor and Program Director, Educational Leadership

John C. Lundt, Ed.D., Professor

William McCaw, Ed.D., Associate Professor

L. Dean Sorenson, Ph.D., Professor

Counselor Education

Aida Hutz, Ed.D, Assistant Professor

Cathy Jenni, Ph.D., Professor and Department Chair

John Sommers-Flanagan, Ph.D., Associate Professor

Rita Sommers-Flanagan, Ph.D., Professor

Staff

Terry Souhrada, Ed.D., Administrative Associate (assigned to 56% Educational Leadership & 44% Counselor Education)

Process Leading to Submission of Proposal

This Proposal was reviewed and approved by the affected departments:

Department Name: Department of Educational Leadership and Counseling Date: 3/14/07

In addition, the Deans of the following Schools/Colleges reviewed and approved the proposal:

Dean of: The School of Education Date: 3/14/07

The Proposal was reviewed and approved by the Faculty Senate at The University of Montana at its April 2007 meeting.

No outside consultants were employed for the development of this proposal.

July 11-12, 2007

ITEM NO 136-1004-R0707 **Approval of a new Montana Center for Work Physiology and Exercise Metabolism**

THAT: In accordance with Montana University System Policy, the Board of Regents of Higher Education authorizes The University of Montana-Missoula to create a Montana Center for Work Physiology and Exercise Metabolism.

EXPLANATION: In the area of applied human physiology, there are limited avenues to translate research findings into practice. Although there are U.S. military research facilities associated with the work physiology of the soldier, it has become difficult for smaller branches of the military to use these venues due to cost. Over the last four years, our current laboratory has been collaborating with the U.S. Air Force Special Operations Command (AFSOC) and the U.S. Army (USARIEM) on a number of laboratory and field projects. However, the process of providing an efficient approach to research collaborations between these two agencies has been tangled with other laboratory obligations. Therefore, the current funding provides for dedicated laboratory space to continue and enhance these cooperative agreements.

The planned scope of practice for the Montana Center for Work Physiology and Exercise Metabolism include four primary objectives: 1. To give state, national, and international recognition for this unit of The University of Montana; 2. To enhance the connection between educational and research components of the Montana University System; 3. To have a specifically designated "Center" for bringing dedicated funds to the University (grants, contracts, donations) and for attracting students, visiting scholars, and global collaborative research colleagues; and 4. Promote an efficient approach to intensive data collection efforts in both laboratory and extreme field environments.

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.: 136-1004-R0707 Date of Meeting: July 11-12, 2007
Institution: The University of Montana - Missoula
Program Title: Montana Center for Work Physiology and Exercise Metabolism

Level II proposals require approval by the Board of Regents.

Level II action requested (check all that apply): Level II proposals entail substantive additions to, alterations in, or termination of programs, structures, or administrative or academic entities typically characterized by the (a) addition, reassignment, or elimination of personnel, facilities, or courses of instruction; (b) rearrangement of budgets, cost centers, funding sources; and (c) changes which by implication could impact other campuses within the Montana University System and community colleges. Board policy 303.1 indicates the curricular proposals in this category:

- 1. Change names of degrees (e.g. from B.A. to B.F.A.)
- 2. Implement a new minor where there is no major;
- 3. Establish new degrees and add majors to existing degrees;
- 4. Expand/extend approved mission; and
- 5. Any other changes in governance and organization as described in Board of Regents' Policy 218, such as formation, elimination or consolidation of a college, division, school, department, institute, bureau, center, station, laboratory, or similar unit.

Specify Request:

The University of Montana – Missoula requests authorization to create the Montana Center for Work Physiology and Exercise Metabolism (MWPEM) on The University of Montana – Missoula campus.

1. Overview

Provide a one paragraph description of the proposed program. Be specific about what degree, major, minor or option is sought.

The new Center would be called "The Montana Center for Work Physiology and Exercise Metabolism" (MWPEM). The purpose of the Center will be to serve as a dedicated facility for the advancement of research in the area of applied human physiology in extreme environments. The Center will work closely with AFSOC and the Air Force Research Laboratories (AFRL) in addition to the US Army Research Laboratory (USARIEM) to establish a better understanding of feeding strategies to maintain metabolic dominance on the battlefield. The Center will serve as a regional and national location for collaborative research efforts surrounding occupational and ultra-endurance work situations. Cooperative agreements established with AFSOC, USARIEM, AFRL, and the USFS will serve as avenues to establish continuous funding for the purpose of enhancing performance and safety on the battlefield and on the fire lines of the west. Through current funding from a legislative initiative and grant from AFSOC and AFRL, The Department of Health and Human Performance is constructing a new 4000 square foot laboratory, which will serve as the primary location for the MWPEM.

2. Need

a. To what specific need is the institution responding in developing the proposed program?

There are four primary objectives associated with creation of MWPEM:

- Promote an efficient approach to intensive data collection efforts in both laboratory and extreme field environments.
- To give state, national, and international recognition for this unit of The University of Montana.
- To enhance the connection between educational and research components of the Montana University System.
- To have a specifically designated "Center" for bringing dedicated funds to the University (grants, contracts, donations) and for attracting students, visiting scholars, and global collaborative research colleagues.

There is a gap in applied human physiology research and education in Montana. Although the state of Montana houses two HPL oriented facilities (UM-Missoula and MSU-Bozeman), there is not a facility dedicated to the research of applied human physiology during arduous work in extreme environments. With the present level of funding, we have established an aggressive data collection effort that includes the employment of three full-time and one half-time former UM graduates. Moreover, we are currently negotiating additional graduate student stipends to bring more out of state students to Montana. We are also starting to develop an internship program for students interested in pursuing additional research experience with the proposed Center. This program will be marketed to junior level undergraduate students to provide them with an opportunity to gain entry level and advanced research experiences and to present these findings at regional and/or national symposium.

b. How will students and any other affected constituencies be served by the proposed program?

The present UM Human Performance Laboratory (HPL) is involved in applied research and teaching on both the undergraduate and graduate level (M.S. level). The footprint of the laboratory has grown over the last 12 years and the number of undergraduate students has doubled. Similarly, in 1994, the laboratory supported the research agenda of one faculty member in the area of exercise physiology. Two additional tenure track faculty positions have also been added (exercise physiology, 1999; nutrition, 2003). Therefore, the current laboratory space functions to serve the needs of faculty funded and unfunded research, graduate student thesis research, student projects and laboratory classes.

The development of this Center will provide unique research opportunities for qualified undergraduate students while serving as a leading research laboratory in the Northwest. It is also anticipated that the Center will serve as an avenue to enhance funding opportunities for post-doctoral research fellows. Post-doctoral research fellows will be encouraged to solicit external funding to gain additional grant writing experience. Therefore, the Center intends to operate as a facility that encourages learning through research by serving undergraduate and graduate students in addition to the advanced training of post-doctoral fellows and future researchers.

The development of a Center specifically designed to evaluate human performance in adverse environments will attract new masters-level graduate students, post-doctoral applicants in addition to collaborative scientists from other agencies/institutions in the U.S. and abroad.

During summers of years 1-5, graduate and undergraduate research assistants will be hired as the needs arise and as funds from federal grants and private sources become available.

c. What is the anticipated demand for the program? How was this determined?

The University of Montana has been approached by AFSOC to create a dedicated research Center in order to provide scientific direction and leadership to coordinate applied human performance research specific to the training and deployment of Air Force Special Forces (combat controllers and para-rescue jumpers). Our laboratory expertise is in the measurement of metabolic activity during arduous field settings. We have received funding from the AFSOC, and/or AFRL, the USFS, and the US Army for the last 10 years to refine these research capacities. AFSOC recognizes that with the development of a dedicated laboratory facility, the proposed Montana Center for Work Physiology and Exercise Metabolism can provide for the specific and unique needs of smaller, specialized branches of the military.

The majority of these projects have contained significant field and laboratory components that range from intensive measures of muscle and liver metabolism of carbohydrates in the lab to measures of total energy expenditure and muscle

carbohydrate loss in the field. We are currently the best equipped laboratory in the northwest if not the nation for conducting human physiology field research in extreme environments.

The main benefit of a dedicated laboratory/center is the ability to attract extended external funding. However, in order to contract with these agencies, we must demonstrate an ability to provide research services in a timely manner. As mentioned above, the infrastructure (building and initial three years of funding) for the Center are currently in place and/or being developed.

A "Center for Work Physiology and Exercise Metabolism" designation would enhance the University's ability to attract outside funding and students. Grant announcements from branches of the United States Department of Defense, AFRL, AFSOC, USARIEM contain research programs and broad agency announcements with awards of \$150,000 to \$1,500,000 annually for equipment, salaries and other operating expenses for designated units like the "Center for Work Physiology and Exercise Metabolism." Reviewers of these grant applications look for an institutional commitment to the project. A "Center" designation would be one such commitment that could strengthen an application. In addition to the above mentioned granting agencies, we anticipate that private industry will also be attracted to the Center to assist with a variety of applied research questions (fabric and equipment design, nutritional interventions to enhance human performance and maintain immune function).

3. Institutional and System Fit

a. What is the connection between the proposed program and existing programs at the institution?

As quoted from question #2, there is a gap in applied human physiology research and education in Montana. Although the state of Montana houses two HPL oriented facilities (UM-Missoula and MSU-Bozeman), there is not a facility dedicated to the research of applied human physiology during arduous work in extreme environments.

b. Will approval of the proposed program require changes to any existing programs at the institution? If so, please describe.

No, in fact, it may free up existing laboratory space as described below.

c. Describe what differentiates this program from other, closely related programs at the institution (if appropriate).

The Department of Health and Human Performance currently administers the Human Performance Laboratory (HPL). This laboratory has historically served the research needs of department faculty and students. The development of the MWPEM will enable an expansion of this research agenda and will free up existing laboratory space so that the mission of the Human Performance Laboratory can be broadened. Separate directors to facilitate the diverse research agenda of the growing faculty and the interests of graduate/undergraduate student researchers will coordinate these research facilities (MWPEM and the HPL).

d. How does the proposed program serve to advance the strategic goals of the institution?

The mission of The University of Montana includes creating knowledge, providing an active learning environment, generating outreach and service to the State/nation/world, providing unique educational experiences, while being responsive to the needs of Montanans. The proposed University of Montana Center for Work Physiology and Exercise Metabolism is completely synchronized with the University mission. It will continue to give scientific oversight to the unique field laboratory offered in Western Montana and elsewhere in the world. Moreover, the Center will create an excellent learning environment for Montana students (graduate, undergraduate and post-doctoral, many of which will come from out-of-state). Creation of the Center will attract a large number of potential graduate students from other states because of the unique combination of field and laboratory research experiences. National and international outreach will come from the expanded opportunities for scholars to participate in research symposia, visiting scholar programs and collaborative research proposals. Finally, a side benefit of the Center is the enhancement of the region's economy through the retention of University graduates for research positions.

e. Describe the relationship between the proposed program and any similar programs within the Montana University System. In cases of substantial duplication, explain the need for the proposed program at an additional institution. Describe any efforts that were made to collaborate with these similar programs; and if no efforts were made, explain why. If articulation or transfer agreements have been developed for the substantially duplicated programs, please include the agreement(s) as part of the documentation.

Although there are other exercise science programs in Montana and in the surrounding region, close examination of these programs shows that there is minimal overlap with the proposed MWPEM. The University of Montana-Missoula and Montana State University-Bozeman are the only two graduate programs in the state. Montana State University houses a Human Performance Laboratory but maintains a separate research agenda. Other Universities in Idaho, Oregon and Washington also have similar undergraduate/graduate programs. However, we are the only group that is extensively involved in collaborative efforts with AFSOC and AFRL for the specific purpose of providing direct research functions specific to the unique needs of the warfighter. Moreover, we are the only laboratory that has the capacity for conducting diverse laboratory and field research with our developing new campus laboratory and our mobile laboratory facility.

4. Program Details

a. Provide a detailed description of the proposed curriculum. Where possible, present the information in the form intended to appear in the catalog or other publications. NOTE: In the case of two-year degree programs and certificates of applied science, the curriculum should

include enough detail to determine if the characteristics set out in Regents' Policy 301.12 have been met.

Funding the MWPEM will be a major activity. Grants and contracts will be written, submitted, and funded grants have to be administered. We anticipate that as the reputation of MWPEM grows in the community and the region, the Center will attract private contributions, as well. We have already demonstrated the capacity to attract external funding from federal granting programs and private industry. We anticipate that this will increase as the productivity of the Center develops through regional, national and international presentations and through peer reviewed publications of our research findings. We also anticipate that the grant activity will increase dramatically through the research activities and interests of post-doctoral research fellows and the potential for research assistant professors.

Administration and oversight of both the MWPEM will fall on the Center's staff, who report to the Center's Director; the MWPEM Director reports to the Chairperson of the Department of Health and Human Performance. Financial administration, personnel management, coordination with private industry and federal funding agencies, curricular management, and coordinating outreach will be included in these activities.

Scientific activities include study design, data collection, analyses, presentation and publication of research findings. Many of these activities will be carried out under MWPEM administrative oversight by research staffers, undergraduate and graduate student researchers, visiting researchers, and research colleagues within the US and abroad.

Educational activities of the MWPEM fall into two general areas. First are outreach activities through planned special programs, seminars, internship opportunities and, honors research programs. It is anticipated that students will have the opportunity to assist in the coordination of research efforts and data collection as part of undergraduate research experiences, master's theses, and/or doctoral dissertations. We also anticipate that a cooperative agreement will be established with AFRL to include the funding of additional masters student research assistantships.

5. Resources

- a. *Will additional faculty resources be required to implement this program? If yes, please describe the need and indicate the plan for meeting this need.***

Additional personnel have been already added to achieve the initial research goals (post-doctoral research fellow, lab technicians – 2.5). The first round of funding also includes the construction (anticipated completion date – December, 2007) and overall operating budget for fiscal years 05-07. Additional staff will be added as programs grow commensurate to increases in federal and private funding.

Research faculty

With the use of AFSOC contributions and indirect cost recovery from the federal initiatives, we would like to establish at least one research professorship. This

would bring an additional researcher and grant writer to the staff. It is anticipated that the addition of this research professorship would increase the funding capabilities of the new laboratory and the MWPEM.

b. Are other, additional resources required to ensure the success of the proposed program? If yes, please describe the need and indicate the plan for meeting this need.

No additional funding will be needed as the Center will be well-supported financially. The existing Mansfield Library holdings will suffice; no major additional demands are anticipated in the near future. Likewise, nothing extraordinary is anticipated for telecommunications needs. At UM-Missoula, the Center will need its own telephone and fax line. Computer work stations will parallel the telephone requirements. However, these will be included in the construction of the new facility for which funding has already been established. Additional office space, and specific laboratory needs are being met by a \$1million dollar expansion of McGill Hall. This new laboratory facility will include the necessary environmental capabilities, mobile lab unit, additional space for biochemistry and sample analyses in addition to the necessary research offices and a state of the art conference center. As previously mentioned, these funds have already been received and no additional state support is required to facilitate the development of the Center.

A legislative initiative from the Department of Defense (via AFSOC and AFRL) has funded the initial \$2.3 million dollars to provide for early programming needs, construction, personnel, equipment and data collection (fiscal years 2005-2007). A second grant is being awarded through AFSOC and AFRL for fiscal years 2006-2008 (approximately \$1 million). This award will help to finalize the construction needs and provide the necessary equipment and staffing needs for the next series of AFSOC driven research. A third round of funding is anticipated for fiscal years 2007-2009 at a similar level (approximately \$1 million). Additional funding has been established through private agencies (Biothera, Gatorade Sports Science Institute, Technical Sourcing International, and THY Enterprises). These are an example of additional funding sources that we anticipate to continue through the development of the MWPEM.

Given the facility that has already received funding; we anticipate an annual operating budget of \$500-\$700k after the final round of funding through our federal initiative. By this time, we are confident that the level of research funding from private industry combined with federal grants and research contracts from AFSOC and AFRL will meet these program needs.

Furthermore, additional funds have been awarded as part of grant from AFRL (Warfighter Sustainability: Maximizing Human Performance in Hostile Environments, 2006) to provide for a new 4,000 square foot laboratory. Given the current cooperative agreements with AFSOC, USARIEM, and the USFS, we feel that we can bring recognition to the University in the development of a state of the art research facility. The development of this research Center will increase the awareness of our unique area of applied human physiology research and will lead to an increase in external funding to maintain the annual operating budget associated with the current staff, equipment and supplies.

6. Assessment.***How will the success of the program be measured?***

The Center will be evaluated with respect to the number of graduate and undergraduates enrolled, and by the amount of funding obtained.

7. Process Leading to Submission***Describe the process of developing and approving the proposed program. Indicate, where appropriate, involvement by faculty, students, community members, potential employers, accrediting agencies, etc.***

The following is a list of agencies, organizations, institutions and advisory councils who were involved in this proposal:

- The University of Montana - Missoula
- Department of Health and Human Performance
- Air Force Special Operations Command, Florida
- Air Force Research Laboratories, Texas
- US Army Research Institute of Environmental Medicine, Massachusetts
- US Forest Service, Missoula Technology Development Center (MTDC), Montana and National Interagency Coordination Center, Idaho
- Hyperion Biotechnologies, Texas

This Proposal was reviewed and approved by the affected departments:

Department Name: Health and Human Performance

Date: March 16, 2007

In addition, the Deans of the following schools/colleges reviewed and approved the proposal:

Dean of Education:

Date: March 16, 2007

The proposal was reviewed and approved by the Faculty Senate at the University of Montana

Date: April 2007

In addition, please see attached letter of support from Colonel James K. Wright of Air Force Special Operations Command below.



DEPARTMENT OF THE AIR FORCE
720TH SPECIAL TACTICS GROUP (AFSOC)
HURLBURT FIELD, FLORIDA



19 January 2007

MEMORANDUM FOR WHOM IT MAY CONCERN

FROM: 720th SPECIAL TACTICS GROUP SURGEON

SUBJECT: Montana Center for Work Physiology and Exercise Metabolism

Air Force Special Operations Command, the Air Force Research Laboratory, and the 720th Special Tactics Group strongly support the development of the Montana Center for Work Physiology and Exercise Metabolism. The Air Force is looking for research partners to cooperate with existing Air Force research capabilities and Air Force operational units to help solve the many performance problems experienced by our warfighters. We recognized that the Department of Defense cannot go alone in trying to find solutions to our performance needs and cooperation with academic and private institutions is vital. We support any effort which builds research capabilities that are capable of providing answers to the problems our airmen experience.

A handwritten signature in black ink, appearing to read "James K. Wright".

JAMES K. WRIGHT, COL, USAF, MC, SFS
720TH Special Tactics Group Surgeon

First There... That Others May Live

July 11-12, 2007

ITEM NO 136-1503-R0707 **Approval Of Proposal To Merge Two Existing Colleges (College Of Mathematics And Sciences And The College Of Humanities, Social Sciences, And Information Technology) Into One College - The College Of Letters, Sciences And Professional Studies**

THAT: The Board of Regents of Higher Education authorizes Montana Tech of The University of Montana to combine two existing colleges into one new college - The College of Letters, Sciences and Professional Studies.

EXPLANATION: In January 2001, a campus-wide "task force on organization" submitted eight recommendations to the Chancellor. The charge of the committee was to review the entire organizational structure of Montana Tech of The University of Montana and recommend to the Chancellor any changes that the committee felt would be advantageous to the institution. Over the course of the ensuing years, the campus has implemented five of the eight recommendations. The campus believes that now is the opportune time to implement another of the task forces's recommendations: To merge two existing colleges (The College of Mathematics and Sciences and The College of Humanities, Social Sciences, and Information Technology) into one college (The College of Letters, Sciences and Professional Studies).

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.:	136-1503-R0707	Date of Meeting:	July 11-12, 2007
Institution:	Montana Tech of The University of Montana		
Program Title:	Proposed merger of The College of Mathematics & Sciences and The College of Humanities, Social Sciences, and Information Technology into a new college – The College of Letters, Sciences and Professional Studies		

Level II proposals require approval by the Board of Regents.

Level II action requested (check all that apply): Level II proposals entail substantive additions to, alterations in, or termination of programs, structures, or administrative or academic entities typically characterized by the (a) addition, reassignment, or elimination of personnel, facilities, or courses of instruction; (b) rearrangement of budgets, cost centers, funding sources; and (c) changes which by implication could impact other campuses within the Montana University System and community colleges. Board policy 303.1 indicates the curricular proposals in this category:

- 1. Change names of degrees (e.g. from B.A. to B.F.A.)
- 2. Implement a new minor or certificate where there is no major or no option in a major;
- 3. Establish new degrees and add majors to existing degrees;
- 4. Expand/extend approved mission; and
- 5. Any other changes in governance and organization as described in Board of Regents' Policy 218, such as formation, elimination or consolidation of a college, division, school, department, institute, bureau, center, station, laboratory, or similar unit.

Specify Request:

Montana Tech of The University if Montana requests permission to merge two existing colleges (The College of Mathematics & Sciences and The College of Humanities, Social Sciences, and Information Technology) into one new college – The College of Letters, Sciences and Professional Studies.

ITEM: 136-1503-R0707
Institution: Montana Tech of The University of Montana Tech
Program Title: College of Letters, Sciences and Professional Studies

1. Overview

In January 2001, Chancellor Gilmore commissioned a campus-wide task force to study the organizational structure at Montana Tech. The task force was comprised of faculty, staff and student representatives. The task force submitted eight recommendations to Chancellor Gilmore. Over the course of the past six years, the campus has implemented five of the eight recommendations (i.e., Deans should not be department heads, the director of the Graduate School should report to the Vice Chancellor for Academic Affairs and Research, etc.). The campus believes that now is the appropriate time to implement one of the remaining task force recommendations – combine the College of Mathematics and Sciences (CMS) with the College of Humanities, Social Sciences, and Information Technology (HSSIT). The new college will be known as the College of Letters, Sciences and Professional Studies (LSPS).

2. Need

Montana Tech's strategic plan identifies the need for additional personnel on the Tech campus that currently do not have a line item in the university's budget. For example, the campus has determined that a full-time webmaster is needed to further the institution's mission (Tech currently has funded a half-time webmaster.). The salary savings from eliminating one dean's position will be used to support other needed positions on campus which currently are unfunded.

3. Institutional and System Fit

As mentioned in the previous sections, the proposed merger will enable Montana Tech of The University of Montana to address items in Tech's strategic plan. The merger will also "streamline" Tech's academic reporting structure, as recommended by the campus-wide task force.

4. Program Details

Montana Tech of The University of Montana is currently comprised of four colleges/schools. Three of the colleges/schools are "North Campus" entities (College of Humanities, Social Sciences, and Information Technology, College of Mathematics and Sciences, and the School of Mines and Engineering) while the fourth college is the College of Technology, located on the "South Campus."

The College of Mathematics and Sciences currently houses seven academic departments: Biological Sciences, Chemistry and Geochemistry, Computer Science, General Science, Health Care Informatics, Networking Technologies, and Professional and Technical Communication.

The College of Humanities, Social Sciences, and Information Technology currently houses four academic departments: Business and Information Technology, Liberal Studies, Networking Technologies, and Professional and Technical Communication.

The College of Letters, Sciences and Professional Studies would house the eleven academic departments listed previously and the new college would be of similar size as The School of Mines and Engineering in terms of student enrollment, faculty FTE, etc.

The College of Letters, Sciences and Professional Studies will be of similar size as the School of Mines and Engineering in terms of the number of academic departments, students, and FTE faculty.

5. Resources

No additional faculty resources will be required to implement this change. The current Dean of the College of Mathematics and Sciences has agreed to serve as the Dean of the proposed college. The former Dean of the College of Humanities, Social Sciences, and Information Technology was selected as the Vice Chancellor for Academic Affairs and Research in January 2007. The Dean of the College of Mathematics and Sciences is also currently serving as the Interim Dean of the College of Humanities, Social Sciences, and Information Technology.

6. Assessment

The efficacy of the new college should be readily apparent to Tech's administration. The administration plans on evaluating the merger after one year to determine if the expected efficiencies were gained by the campus.

7. Process Leading to Submission

In January 2007, Montana Tech's Chancellor and Vice Chancellor for Academic Affairs and Research held two faculty meetings: one with the faculty of the College of Mathematics and Sciences and one with the College of Humanities, Social Sciences, and Information Technology's faculty. The meetings were held to discuss a proposed merger of the two colleges and solicit input from the faculty members involved. Any benefits/drawbacks of the proposed merger were discussed and faculty were encouraged to provide additional input to administration either in person or via email. Numerous faculty took advantage of this offer and, while the proposed merger was not embraced by 100% of the faculty involved, the majority of faculty providing input were in favor of the merger. The faculty realized the economies that will result from the merger will benefit the institution as a whole.

Once the decision was made to merge the two colleges, faculty were then asked to provide potential names for the new college. Faculty provided their input to the Dean of the College of Mathematics and Sciences who then held a meeting of the faculty to select a new name from the list of proposed names. The faculty selected the College of Letters, Sciences and Professional Studies as the name for the new college. The faculty felt that this name would best represent the diverse areas represented by the new college.

ITEM 136-1901-R0707

Authorization to Change the names of approved Certificates to Certificates of Applied Science; The University of Montana—Helena College of Technology

THAT:

The Board of Regents of Higher Education authorizes The University of Montana—Helena College of Technology to change the names of the following programs from Certificates to Certificates of Applied Science:

Bookkeeping
Small Business Entrepreneurship Technology
Computer Assistant
Carpentry
Machine Tool Technology
Welding Technology
Office Assistant

EXPLANATION:

Montana Board of Regents' Policy 301.12, Undergraduate Degree Requirements: Associate Degrees and Certificates of Applied Science, adopted by the Board in May 2005, creates a Certificate of Applied Science as a new degree in the Montana University System. Before the adoption of that new policy, a Certificate was the only name available for such a credential. A name change for a degree program (i.e., from Certificate to Certificate of Applied Science) ordinarily requires a Level II document with all of the supporting paperwork and information. This Level II request is being submitted, without the documentation. All of the Certificates of Applied Science listed above will remain the same. The name of the program and the number of credits in the program will remain the same. The only change that is requested is the name of the degree, which will become a Certificate of Applied Science.

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.:	136-1901-R0707	Date of Meeting:	July 11-12, 2007
Institution:	The UM-Helena College of Technology		
Program Title:	Certificates Of Applied Science		

Level II proposals require approval by the Board of Regents.

Level II action requested (check all that apply): Level II proposals entail substantive additions to, alterations in, or termination of programs, structures, or administrative or academic entities typically characterized by the (a) addition, reassignment, or elimination of personnel, facilities, or courses of instruction; (b) rearrangement of budgets, cost centers, funding sources; and (c) changes which by implication could impact other campuses within the Montana University System and community colleges. Board policy 303.1 indicates the curricular proposals in this category:

- 1. Change names of degrees (e.g. from B.A. to B.F.A.)
- 2. Implement a new minor or certificate where there is no major or no option in a major;
- 3. Establish new degrees and add majors to existing degrees;
- 4. Expand/extend approved mission; and
- 5. Any other changes in governance and organization as described in Board of Regents' Policy 218, such as formation, elimination or consolidation of a college, division, school, department, institute, bureau, center, station, laboratory, or similar unit.

Specify Request:

Montana Board of Regents' Policy 301.12, Undergraduate Degree Requirements: Associate Degrees and Certificates of Applied Science, adopted by the Board in May 2005, creates a Certificate of Applied Science as a new degree in the Montana University System. Before the adoption of that new policy, a Certificate was the only name available for such a credential.

A Name change for a degree program (i.e., from Certificate to Certificate of Applied Science) ordinarily requires a Level II document with all of the supporting paperwork and information. This Level II request is being submitted, without the documentation, to change the following Certificates to Certificates of Applied Science:

Bookkeeping
Small Business Entrepreneurship Technology
Computer Assistant
Carpentry
Machine Tool Technology
Welding Technology
Office Assistant

All of the Certificates of Applied Science listed above will remain the same. The name of the program and the number of credits in the program will remain the same. The only change that is requested is the name of the degree, which will become a Certificate of Applied Science.

June 14, 2007

ITEM 136-301-R0707

Approval of Proposal to Offer an Associate of Applied Science Degree in Electrical Technology; Flathead Valley Community College

THAT:

The Board of Regents of Higher Education authorizes Flathead Valley Community College to award an Associate of Applied Science Degree in Electrical Technology.

EXPLANATION:

In 2001, Flathead Valley Community College began the development of educational programs focused on the Construction Trades Career Cluster in response to requests and economic development needs of local business and industry. Pathways within this cluster include Building Trades, Electrical Technology, Heating and Air Conditioning, Plumbing, and Heavy Equipment Operator. Accomplishments to date include: Certificates of Applied Science in each pathway; an Associate of Applied Science in Building Trades; construction of a new \$3 million facility to house the programs completed in January 2007; and the procurement of training devices, materials and equipment necessary to expand curriculum offerings from the Certificate to the Associate of Applied Science level in Electrical Technology.

The proposed Electrical Technology Associate of Applied degree reflects Flathead Valley Community College's commitment to the Board of Regents' efforts to ensure career development programs are compliant with national and industrial standards and are fully aligned and articulated with similar curriculum offerings within Montana. To achieve that end, the proposed Electrical Technology curriculum is aligned with the Montana State University-Northern Electrical Technology program. This aligned curriculum philosophy will promote a single Electrical Technology program within Montana and will ensure consistency in curriculum, instructional methodology, student performance standards and evaluation criteria. Future proposed changes to the curriculum will be conducted with both local and state advisory boards, Montana State University-Northern program administration and the Department of Labor and Industry Apprenticeship Training Program.

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.: 136-301-R0707

Date of Meeting: July 11-12, 2007

Institution: Flathead Valley Community College

Program Title: Associate of Applied Science Degree in Electrical Technology

Level II proposals require approval by the Board of Regents

Level II action requested (check all that apply): Level II proposals entail substantive additions to, alterations in, or termination of programs, structures, or administrative or academic entities typically characterized by the (a) addition, reassignment, or elimination of personnel, facilities, or courses of instruction; (b) rearrangement of budgets, cost centers, funding sources; and (c) changes which by implication could impact other campuses within the Montana University System and community colleges. Board policy 303.1 indicates the curricular proposals in this category:

- 1. Change names of degrees (e.g. from B.A. to B.F.A.)
- 2. Implement a new minor where there is no major;
- 3. Establish new degrees and add majors to existing degrees;
- 4. Expand/extend approved mission; and
- 5. Any other changes in governance and organization as described in Board of Regents' Policy 218, such as formation, elimination or consolidation of a college, division, school, department, institute, bureau, center, station, laboratory, or similar unit.

Specify Request:

Flathead Valley Community College (FVCC) seeks approval to award the Associate of Applied Science degree in Electrical Technology.

The proposed Associate of Applied Science Degree in Electrical Technology is designed to satisfy part of the training and instructional requirements of a traditional apprenticeship by providing face-to-face classroom and lab instruction in support of field experience. The proposed Electrical Technology AAS degree is aligned with the Montana State University – Northern (MSU-N) AAS in Electrical Technology that was developed with the assistance of the Department of Labor and Industry and an electrical technology advisory board made up of independent and union electricians from the state of Montana.

FVCC also formed a local advisory group consisting of representation from union and independent electrical contractors, the Department of Labor Apprenticeship Program, local electrical suppliers and educators. The local advisory group has assisted in certificate level curriculum implementation; reviewed facility design for the new educational facility; and participated in the selection of training devices and equipment to support performance training requirements.

It is expected that students who complete the AAS in Electrical Technology degree will satisfy approximately two years of the four-year apprenticeship period required of licensed journeymen electricians. Students graduating from this program will be eligible to enroll in the post-associate distance learning courses under development by MSU-N. This distant learning opportunity will support third and fourth year apprentice candidates in successfully completing apprentice program licensure requirements.

MONTANA BOARD OF REGENTS

NEW ACADEMIC PROGRAM PROPOSAL SUMMARY

Institution: Flathead Valley Community College (FVCC)

Program Title: Associate of Applied Science Degree in Electrical Technology

- 1. Overview: (Provide a one paragraph description of the proposed program. Be specific about what degree, major, minor or option is sought.)**

The proposed Associate of Applied Science degree in Electrical Technology expands upon the foundation of the existing Electrical Technology Certificate of Applied Science and provides students a more detailed background necessary for entry into the field of electrical wiring on residential, commercial and industrial construction sites. The Electrical Technology Certificate of Applied Science was designed to give students the fundamental skills necessary for successful entry level employment in the electrical industry. Program materials include study of electrical theory, applied math, code study, and residential wiring. A substantial amount of hands-on training is provided through lab experience in AutoCAD, test equipment, electric motors, magnetic motor starters, programmable controllers, electronic devices and residential wiring. The proposed AAS provides additional course offerings in planning and estimating, commercial wiring, advanced code study, and motor controls. Graduates of this option will be prepared to meet the challenges of today's modern equipment and wiring systems and be eligible for advanced placement into a registered apprentice position.

- 2. Need:**
 - a. To what specific need is the institution responding in developing the proposed program?**

FVCC is responding to a local economic development need for skilled electrical technicians. This is supported by local student interest in meeting employment requirements and employer demand for qualified employees. In June 2004, The Flathead Valley chapter of the Montana Independent Electrical Contractors Association (MIECA) proposed the idea of establishing a college supported local electrical training program. FVCC faculty and staff met several times with MIECA representatives. In September 2004, a program advisory board was formed with representation from local union and independent electrical employers, electrical suppliers, and Department of Labor job service and apprenticeship departments. The advisory committee completed a feasibility study on the proposed electrical program and determined that establishing an electrical training curriculum would benefit employer needs, student interests and economic development activities within the Flathead Valley.

- b. How will students and any other affected constituencies be served by the proposed program?**

The program will serve students by providing them a local opportunity to pursue a career in electrical technology. Students enrolled in the Certificate of Applied Science program will be afforded the opportunity to continue their education in pursuit of Montana licensure as an electrician. Certificate students currently receive 1557 hours of work experience and complete six academic courses required to fulfill a successful apprentice program (approximately 1 year of the 4 year requirement). This is provided through an articulation agreement with the Montana Department of Labor Apprenticeship Program. The expansion of the certificate to the AAS level will increase the opportunity to 3414 hours of work experience and eighteen academic courses (approximately 2 years of the 4 year requirement). When distance learning programs for third and fourth year students become available, local students will be able to complete licensure requirements while working and living in the Flathead Valley. The program will

serve local employers by providing them both trained employees and the opportunity to participate in a business/education partnership to ensure curriculum is aligned with employment demands.

c. What is the anticipated demand for the program? How was this determined?

The long term anticipated demand is best summarized by The United States Department of Labor prediction indicating a significant increase in the number of electrician jobs in future years. The Department estimates that the United States economy will need 37,000 new electricians every year until 2010. The U.S. Department of Labor's *Occupational Outlook Handbook* states "...the electrical industry will employ 25 to 36 percent more workers through 2010. Because of the increased sophistication of the systems these technicians work on and the equipment they use, the prospects will be considerably better for those with technical school or formal training. Electricians can expect to earn over \$47,000 a year, while a seasoned technician, contractor, or engineer can earn up to \$100,000 a year."

The Flathead Valley is experiencing acceleration in the growth of the construction industry. The FVCC Electrical Advisory Committee needs assessment indicated that the Flathead will experience a greater increase than the national average of 25 to 36 percent through 2010.

3. Institutional and System Fit:

a. What is the connection between the proposed program and existing programs at the institution?

Flathead Valley Community College, in response to local business requests and area economic development needs, began the development of educational programs focused on the Construction Trades Career Cluster in 2001. The College currently offers five pathway certificate level programs. These include Building Trades (Carpentry), Electrical Technology, Heating and Air Conditioning, Plumbing, and Heavy Equipment Operator. FVCC also offers an Associate of Applied Science program in Building Trades. This request represents the progression of the Electrical Technology Certificate of Applied Science program to an Associate of Applied Science level.

Construction of a \$3 million facility to house the Career and Technical Education programs at FVCC was completed in January 2007. The procurement of training devices, materials and equipment necessary to expand curriculum offerings has provided FVCC the opportunity to develop this proposal.

b. Will approval of the proposed program require changes to any existing programs at the institution? If so please describe.

Approval of this proposal will not require changes to existing programs. The Certificate of Applied Science in Electrical Technology will be expanded to include those classes necessary for achievement of an Associate of Applied Science Degree.

c. Describe what differentiates this program from other, closely related programs at the institution (if appropriate).

The Associate of Applied Science degree in Electrical Technology expands upon the certificate foundation and provides students the background necessary to enter the field of electrical wiring on residential, commercial and industrial construction sites. The AAS provides additional course offerings in planning and estimating, commercial wiring, advanced code study and motor controls. Graduates of this option will be prepared to meet the challenges of today's modern equipment and wiring systems and be eligible for advanced placement into a registered apprentice position.

d. How does the proposed program serve to advance the strategic goals of the institution?

Flathead Valley Community College promotes excellence in lifelong learning by offering two-year college programs, the first two years of a four-year college degree, occupational training, and opportunities that enhance the cultural, social, and economic well-being of our students and communities. The College's strategic goals are as follows:

- We will provide educational programs and courses that prepare our students for transfer to other post-secondary institutions, for the workforce, and for citizenship.
- We will increase lifelong learning opportunities for our students and our community.
- We will be responsive to the community's economic and workforce training needs.
- We will promote programs and activities that enhance the cultural and social well-being of our students and communities.
- FVCC will foster a positive learning and working environment and provide support service for student success.

The expansion of the Electrical Technology program to include an Associate of Applied Science Degree clearly reflects the College's strategic goals. This proposal expands student opportunities to prepare for workforce and transfer options and increases learning opportunities for our community.

- e. Describe the relationship between the proposed program and any similar programs within the Montana University System. In cases of substantial duplication, explain the need for the proposed program at an additional institution. Describe any efforts that were made to collaborate with these similar programs; and if no efforts were made, explain why. If articulation or transfer agreements have been developed for the substantially duplicated programs, please include the agreement(s) as part of the documentation.**

The proposed Electrical Technology AAS program is aligned with the Montana State University–Northern AAS in Electrical Technology. The MSU-N curriculum was developed with the assistance of the Department of Labor and an electrical advisory board made up of independent and union electricians throughout the state of Montana. This alignment is reflective of Flathead Valley Community College's commitment to the Board of Regents' efforts to ensure career development programs are compliant with national and industrial standards and fully aligned and articulated with similar curriculum offerings within Montana.

The need for duplication of this program within the Flathead Valley is determined by three factors. First, the electrical technology program is deeply embedded in the apprenticeship concept of linking academic coursework with workplace experience. FVCC Electrical Technology students are typically employed by local electrical contractors and work an average of 30 plus hours per week in the Flathead area. This work environment precludes students from relocating to distant locations to attend school. Second, the mission of a community college is to provide local educational opportunities for the community at large. Both employers and students have identified electrical technology as a viable program offering for the Flathead Valley. Finally, Electrical Technology is an integral part of the FVCC career and technical education focus. The College has committed to developing two primary Career Clusters; Manufacturing and Construction Trades to support economic development activities within the Flathead. An Electrical Technology program is essential to fulfilling that commitment.

FVCC participated in the Montana State University- Northern development efforts while concurrently pursuing resource availability and community support for local implementation. The intent was to ensure standardization of a curriculum within the state developed Electrical Technology program. We believe this curriculum philosophy will promote a single Electrical Technology program within Montana and will ensure consistency in course content, instructional methodology,

student performance standards, and evaluation criteria. Future proposed changes to the curriculum will be conducted with both local and state advisory boards, Montana State University-Northern program administration, and the Department of Labor Apprenticeship Training Program. Proposed changes will be implemented only after concurrence is reached by all parties. This policy will further ensure a single program offering is sustained throughout the Montana Education System. Students graduating from this program will be eligible for enrollment in the post-associate distance learning courses. This distance learning opportunity will support third and fourth year apprentice candidates in successfully completing apprentice program licensure requirements while living and working in the Flathead Valley.

FVCC has a signed articulation agreement with the Montana Department of Labor and Industry Apprenticeship Program for its Certificate of Applied Science in Electrical Technology. Upon approval from the Board of Regents, the College will establish articulation of the AAS Degree. (Attachment)

4. Program Details:

a. Provide a detailed description of the proposed curriculum. Where possible, present the information in the form intended to appear in the catalog or other publications.

NOTE: in the case of two-year degree programs and certificates of applied science, the curriculum should include enough detail to determine if the characteristics set out in Regents' Policy 301.12 have been met.

Program Description

The Electrical Technology Certificate of Applied Science is designed to give students the skills necessary for successful entry level employment in the electrical industry. Program materials include study of electrical theory, applied math, code study and residential wiring. A substantial amount of hands-on experience is provided. Lab experience will be provided for AutoCAD, test equipment, electric motors, magnetic motor starters, programmable controllers, electronic devices and residential wiring.

The Associate of Applied Science degree in Electrical Construction Technology expands upon the certificate foundation and provides students the background necessary to enter the field of electrical wiring on residential, commercial, and industrial construction sites. The AAS provides additional course offerings in planning and estimating, commercial wiring, advanced code study and motor controls. Graduates of this option will be prepared to meet the challenges of today's modern equipment and wiring systems and be eligible for advanced placement into a registered apprentice position.

Proposed Sequencing

Fall (Year 1)

▪ <u>ELEC 100*</u>	Introduction to Electricity	3 credits
▪ <u>ELEC 101*</u>	Electrical Fundamentals I	5 credits
▪ <u>CMPA 100T*</u>	Introduction to Microcomputers	1 credit
▪ <u>BUS 121*</u>	Math and Communications for the Trades	5 credits
▪ <u>ELEC 137*</u>	Electrical Drafting	2 credits

Spring (Year 1)

- ELEC 102* Electrical Fundamentals II 5 credits
- ELEC 103* Electrical Code Study- Fundamentals 2 credits
- ELEC 111* Electric Meters and Motors 3 credits
- ELEC 133* Basic Wiring 3 credits
- HLTH 202* Health and Behavioral Emergencies for the Trades 1 credit
- ⇒ IT 175 Introduction to AutoCAD 3 credits

Fall (Year 2)

- ⇒ ELEC 139 Electrical Code Study-Residential 3 credits
- ⇒ ELEC 201 Alternating Current Theory 5 credits
- ⇒ ELEC 204 Electrical Planning & Estimating 3 credits
- ⇒ ELEC 205 Electrical Design & Lighting 3 credits
- ⇒ ELEC 211 AC Measurements 3 credits

Spring (Year 2)

- ⇒ ELEC 233 Commercial Wiring Lab 3 credits
- ⇒ ELEC 236 Conduit, Raceways & Code Lab 3 credits
- ⇒ ELEC 239 Grounding/Bonding Fundamentals 3 credits
- ⇒ ELEC 241 Electric Motor Controls 3 credits
- ⇒ ELEC 247 Medium & High Voltage 3 credits
- ⇒ SP 120 Interpersonal Relations/Communications 3 credits

*Courses in the Certificate of Applied Science Degree

CERTIFICATE OF APPLIED SCIENCE TOTAL CREDITS 30 CREDITS

ASSOCIATE OF APPLIED SCIENCE DEGREE TOTAL CREDITS 68 CREDITS

4b. Describe the planned implementation of the proposed program, including estimates of numbers of students at each stage.

The program will begin upon Board of Regents approval. The anticipated initial program enrollment is 38 students. These projections were determined by analyzing current enrollment trends in the FVCC Certificate program and the transition of students from the Flathead Independent Electrical Contractors Association (IEC) approved apprenticeship course being taught in Kalispell. The IEC program currently has 56 active apprentice students enrolled. Projected enrollments include current FVCC students, integration of IEC students and new annual enrollments.

Projected Enrollment FY2008		Projected Enrollment FY2009		Projected Enrollment FY2010	
1st year students	2 nd year students	1 st year students	2 nd year students	1 st year students	2 nd year students
21	17	21	19	21	19

5. Resources:

- a. **Will additional faculty resources be required to implement this program? If yes, please describe the need and indicate the plan for meeting this need.**

Additional adjunct faculty will be needed for the second year Electrical Technology courses. Estimated annual salary and benefits will be \$17,353. This cost will be included in the College's adjunct faculty budget. Increases in revenues from new enrollments will cover the increased cost in adjunct faculty.

- b. **Are other, additional resources required to ensure the success of the proposed program? If yes, please describe the need and indicate the plan for meeting the need.**

No additional resources are required. FVCC constructed facilities to support the Electrical Technology program in the new Occupational Trades Building completed in January 2007. Training equipment was purchased through the 2005 legislative appropriation for two year educational equipment. In addition, local business partners have donated supplies and labor to upgrade instructional resources to accommodate the transition from the certificate of applied science to the associate of applied science level. Student lab fees will cover the cost of consumable supplies.

6. Assessment: How will the success of the program be measured?

The Electrical Technology program is supported by an active advisory board that consists of at least one member from each of the following entities: the Independent Contractors, the electrical union, electrical suppliers and the Montana Department of Labor. The board will meet at least twice a year to evaluate the success of the program and advise regarding program needs. Licensure pass rates, feedback from employers who assess student readiness to enter the apprenticeship programs, and preparedness of students transitioning to the MSU-N advanced correspondence program will also be used to determine the effectiveness of the program.

7. Process Leading to Submission: Describe the process of developing and approving the proposed program. Indicate, where appropriate, involvement by faculty, students, community members, potential employers, accrediting agencies, etc.

Development of this proposal was in compliance with the established FVCC program development process. The request to expand the certificate of applied science to an associate of applied science degree initiated at the division level in response to student inquiries and advisory board member requests. The AAS in Electrical Technology received Faculty Senate, Curriculum Committee and FVCC Board of Trustee approval before being submitted to the Board of Regents. In addition, the College has been an active participant in state-wide articulation efforts with the Montana Department of Labor and Industry Apprentice Program.

**MEMORANDUM OF UNDERSTANDING
BETWEEN FLATHEAD VALLEY COMMUNITY COLLEGE
AND
THE MONTANA APPRENTICESHIP AND TRAINING PROGRAM**

Concerning the transfer of applicable educational and on-the-job training credit obtained from completing the one year certificate program in Electrical Technology from Flathead Valley Community College (FVCC) to an inside wireman/residential wireman apprenticeship program registered by the Apprenticeship and Training Program, Montana Department of Labor and Industry, the following has been agreed on by the representing parties:

1. For full credit as stated in this agreement, the apprenticeship applicant must have successfully met all the requirements necessary for obtaining satisfactory completion for the certificate program in Electrical Technology at FVCC.
2. Nine (9) months, (1557 hours) of on-the-job experience which can be applied toward a registered inside wireman or residential wireman apprenticeship will be approved by the Apprenticeship and Training Program. As per Montana apprenticeship regulations, the Program has the authority to approve credit, but the employing sponsor is authorized to actually grant the credit.
3. The educational experience obtained by successful completion of the Certificate Program in Electrical Technology will satisfy the following course of study required in registered apprenticeship for inside wireman/residential wireman for those sponsor's utilizing the approved correspondence course of study from either Montana State University- Northern or North Dakota State College of Science:
 - a) Safety and Health
 - b) Practical Math
 - c) Electric Principles and Practices
 - d) Electric Systems
 - e) Electric Wiring - Residential
4. Educational and On-the-Job Training credit for those who have successfully completed the Certificate Program in Electrical Technology entering either the Joint NECA/IBEW or an IEC sponsored apprenticeship program will be determined by an evaluation process approved by the perspective state-wide committees.

5. In understanding, the applicant for apprenticeship who has successfully completed the Certificate Program in Electrical Technology will be required to serve no less than **thirty nine (39) months, (6443 hours)** of registered apprenticeship working experience. Those applicants entering a registered apprenticeship sponsor's program where either the MSU-N or NDSCS correspondence course work is utilized will be required to complete the following course of study to successfully meet the educational experience required by registered apprenticeship: **a) Rigging – Principles and Practices b) Electric Wiring -Industrial c) Transformers d) National Electrical Code Blueprint Reading e) Journeyman Electrician's Workbook f) Electric Wiring-Commercial g) Industrial Electricity h) Electric Motor Control i) Electrical Estimating j) Math for Electricians**
6. In cooperation with FVCC, the Apprenticeship and Training Program will provide no less than annually, informational presentations on registered apprenticeship for inside wireman/residential wireman to all students enrolled in the Certificate Program for Electrical Technology at FVCC.
7. In cooperation with FVCC, the Apprenticeship and Training Program will provide, no less than annually, to the all registered sponsors (employers) of electrical related apprenticeships, a list of completing students from the FVCC certificate program. FVCC will extend assistance in this matter by providing the Apprenticeship and Training Program the necessary information as requested on a timely basis.
8. Certificate Program Electrical Technology graduates who enter into a registered inside wireman apprenticeship agreement will be required to serve a one year (2,000 hour) probationary period and those entering into a registered residential wireman apprenticeship agreement will be required to serve a six month (1,000 hour) probationary periods with the sponsoring party. The probationary period has been established by the industry and is required by Montana law governing apprenticeship registration.
9. In cooperation with FVCC, the Apprenticeship and Training Program will on an annual basis provide all active area electrical apprenticeship sponsors with notice of available live classroom instruction. The Apprenticeship and training Program will promote and encourage attendance by existing registered electrical apprentices.

Page 3.

This memorandum and all contents herein, has been agreed upon by the parties representing the FVCC Electrical Industry Advisory Committee, the Flathead Community College and the Montana Apprenticeship and Program. Although this memorandum is dynamic and is subject to change, it cannot be altered or revised without the signed consent of all parties. The memorandum is effective as of February 1, 2007.

MONTANA APPRENTICESHIP AND TRAINING PROGRAM

Mark S. Miles, State Dir.
(Signature and Title)

2/16/07
(Date)

FLATHEAD VALLEY COMMUNITY COLLEGE

James K. ... President
(Signature and Title)

2/16/07
(Date)

FVCC ELECTRICAL INDUSTRY ADVISORY COMMITTEE

Robert Paul Krisk Elec.
(Signature and Title)

2/12/07
(Date)

TO: Academic and Student Affairs Committee
Montana Board of Regents

FROM: Jan Clinard
Director of Academic Initiatives

RE: Inter-related Policies on Admissions, Placement, and Remediation

DATE: September 19 – 21, 2007

The passage and implementation of Proficiency Admissions Standards (Mathematics in 2003 and Writing in 2004) have underscored the need to align all policies regarding the placement of students into college-level or remedial coursework. Within the Writing Proficiency Policy are directives to determine how this policy should be applied to exempted students and to determine how this policy should impact the writing placement examinations on campuses. To comply with these directives, I have met with staff from the campuses to draft the attached **Composition Placement Policy**. This draft represents broad agreement, and with some additional input to minor details, should be ready for Board approval in November.

With the Writing Proficiency Policy and its companion Composition Placement Policy, students who are fully admitted are considered ready for college-level coursework and those who are admitted provisionally are placed into remedial courses. The Mathematics Proficiency Admissions Standard did not include the concept of provisional admission, setting an admission threshold of 18 on the ACT, which generally places students into remedial mathematics courses on both two-year and four-year campuses. The Remediation Workgroup met jointly with the Mathematics Proficiency Steering Committee in April to remedy this problem and learn more about various math levels. As a result, the Math Committee drafted a revision to the **Mathematics Proficiency Admissions Standard**, which is attached. This standard sets a “full” admission standard at the college-ready level for the four-year programs and allows for “provisional admissions” for students who are likely to need only one remedial math course.

With both the Writing and Mathematics Proficiency Admissions Policies based on test scores and some discomfort with defining remediation in mathematics by referencing a text or course title (Intermediate Algebra), the Remediation Workgroup revised its definition of remedial coursework to include the same test scores that the admission standard proposes. The attached policy on **Remedial Education**, therefore, is tied to the Proficiency Admissions Standards and references placement in both subject areas.

Because these three policies depend on one another to achieve alignment of admissions, placement, and remediation, we hope that the Board will consider all of them at the November meeting. If you have comments or concerns about these interrelated policies, please share them with me in the Office of the Commissioner of Higher Education.

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: ACADEMIC AFFAIRS
DRAFT Policy 301.17 – Composition Placement

DRAFT

I. Board Policy:

- A. Composition Placement Policy is based on Writing Proficiency Policy 301.16, which sets thresholds for full admission to the four-year programs at Montana State University-Bozeman, Montana State University-Billings, Montana State University-Northern, The University of Montana-Missoula, Montana Tech of The University of Montana, and The University of Montana-Western. This placement policy applies to the programs listed above, as well as Montana University System programs with open admissions.
- B. This policy reflects the Montana Board of Regents' expectation that students should not be required to take multiple writing examinations as part of their initial matriculation in the System.
- C. This policy provides campuses with the flexibility to select assessment measures based on their own course offerings, course content, and predictive studies. Campuses must clearly communicate their placement practices to students, counselors, staff, and advisors.
- D. Students who earn the following **minimum** scores on tests taken during high school will be placed directly into a college-level freshman composition course without further testing:
 - 1. **7** on the Writing Subscore or 19 on the Combined English/Writing section of the Optional Writing Test of the ACT; or
 - 2. **7** on the Essay or 400 on the Writing Section of the SAT; or
 - 3. **3.5** on the Montana University System Writing Assessment (MUSWA); or
 - 4. **3** on the AP English Language or English Literature Examination.
- E. Students who score below the thresholds set in D, but at least 5 on the ACT or SAT essays or 2.5 on the MUSWA, will be placed into remedial courses unless they challenge this placement by taking one the following examinations on campus to determine appropriate placement:
 - 1. The MUS Placement Examination, modeled upon the MUSWA, adapted to the college writing context, and scored using the MUSWA process; or
 - 2. A campus-specific measure, such as portfolios, approved by the Writing Proficiency Steering Committee.
- F. Students will be placed into basic, developmental, or remedial courses if their writing scores are below 5 on the ACT or SAT or below 2.5 on the MUSWA or MUS Placement Examination.
- G. On campuses that offer an advanced composition course, students who earn the following minimum scores may be placed into those courses without further testing:

1. 11 on the Writing Subscore or 32 on the Combined English/Writing section of the Optional Writing Test of the ACT; or
 2. 11 on the Essay or 700 on the Writing Section of the SAT; or
 3. 6 on the MUSWA; or
 4. 5 on the AP English Language and Composition Examination.
- H. Students without writing placement examination scores, whose writing scores were earned more than three years before enrolling, or students exempted under Section H of Policy 301.16 Writing Proficiency (nontraditional students, summer-only, and part-time students) are placed into college-level composition by taking examinations offered by the two-year or four-year campuses and earning the minimum scores listed below. Students with scores below these thresholds are placed into remedial composition courses
1. 50 on the CLEP Subject Examinations in Composition; or
 2. 5 on the COMPASS E-Write Examination; or
 3. 90 on the COMPASS Writing Skills Test; or
 4. 71 on the COMPASS Writing Skills Test if a proficient essay is also submitted;
or
 5. 3.5 on the MUS Placement Examination, modeled upon the MUSWA, adapted to the college writing context, and scored using the MUSWA process.

II. History:

ITEM 89-003-R1195 Proficiency Admission Requirements and Developmental Education in the Montana University System, approved November 17, 1995; ITEM 107-109-RO500 Report from Joint K-16 Composition Standards Committee on Writing Proficiency Standards for Admission and Graduation from MUS, approved July 6, 2000; ITEM122-115-R0104 Writing Proficiency Recommendation, approved January 15, 2004; ITEM 129-109-R1105 Writing Proficiency Policy, approved November 16, 2005, ITEM 135-1110R0507 Revisions to Policy 301.16, Writing Proficiency, approved May 31, 2007.

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: ACADEMIC AFFAIRS

Policy 301.15 – Mathematics Proficiency Admissions Standards for Four-Year Programs

I. Board Policy:

A. Beginning in Fall 2009, any student seeking full admission to a four-year degree program at Montana State University- Bozeman, Montana State University-Billings, Montana State University-Northern, The University of Montana-Missoula, Montana Tech of The University of Montana, and The University of Montana-Western must satisfy the mathematics proficiency standard. That standard is as follows:

- ~~1. for Fall 2004 and Fall 2005, students must earn a minimum mathematics (quantitative) score of:
16 on the ACT
390 on the SAT, or
a score of 3 or above on the AP Calculus AB or BC Subject Examinations;~~
 - ~~2. for Fall 2006, students must earn a minimum mathematics (quantitative) score of:
17 on the ACT
420 on the SAT, or
a score of 3 or above on the AP Calculus AB or BC Subject Examinations;~~
 - ~~3. for Fall 2007 and the following years, students must earn a minimum mathematics (quantitative) score of:
18 on the ACT,
440 on the SAT, or
A score of 3 or above on the AP Calculus AB or BC Subject Examinations~~
1. a score of 21 or above on ACT Mathematics;
 2. a score of 500 or above on SAT Mathematics; or
 3. a score of 3 or above on the AP Calculus AB or BC Subject Examination or a score of 4 on the IB Calculus test.

B. A student whose mathematics score is 18-20 on the ACT or 440-490 on the SAT meets the mathematics requirement for admission without condition to any two-year degree program or provisional admission to a four-year degree program on any campus of the MUS.

C. A student whose mathematics score is below 18 on the ACT or 440 on the SAT may be admitted without condition to any two-year degree program of the MUS, but may not be admitted to a four-year degree program of the MUS.

D. In lieu of the indicators set out in paragraphs A and B above, students may offer CLEP Subject Examinations in selected topics [***College Algebra, College Algebra-Trigonometry, Pre-Calculus, Calculus, or Trigonometry***] if their scores on the examination meet or exceed the ACE Recommended Score for Awarding Credit of 50.

E. Alternately, students may be excused from any testing in mathematics and deemed proficient if they complete a *Rigorous High School Core* including four years of mathematics in high school (Algebra I, Algebra II, Geometry & a course beyond Algebra II, as outlined in the matrix attached to this policy as Appendix I) with grades of C or better in all courses.

F. Students who have been denied full admission to a four-year program in the Montana University System because they do not meet the mathematics proficiency standard set out in this policy may prove that they have the appropriate proficiency in the following ways:

1. earn a C- grade or better in a college course entitled Intermediate Algebra or Algebra for College Students, or in a college course that is the prerequisite to any of the courses described in paragraph F.2 below within 3 semesters or 32 credits of enrolling; or
2. earn a C- grade or better in a mathematics course that satisfies the general education program requirement described in Board Policy 301.10; or
3. earn a score of ~~48~~ 21 or above on the mathematics portion of the ACT or ~~440~~ 500 on the mathematics portion of the SAT; or
4. complete an A.A. or A.S., degree.

The above-described standards will also be used to determine mathematics proficiency when students move from two-year programs or campuses to four-year programs or campuses.

G. Institutions in the Montana University System have authority to use the 15% pool of first-time, full-time undergraduates, established by the Montana Board of Regents' Policy 301.1, Section I.E., to exempt students from the requirements of this Policy. The following categories of students are also exempt from the requirements of this policy:

1. non-traditional students (those who do not enter college for a period of at least three years from the date of high school graduation or from the date when they would have graduated from high school);
2. summer only students; and
3. part-time students taking seven or fewer college-level semester credits.

II. History

Math Proficiency Admissions Standards, approved July 10, 2003 (Item 119-104-R0503). Revised May 20, 2005 (Item 127-128-R0505), approval of math proficiency statement; editorial change June 30, 2006.

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: ACADEMIC AFFAIRS
DRAFT Policy 3XXXX – Remedial Education
Effective: XXX

DRAFT

I. Board Policy:

- A. Purpose. This policy has the following purposes:
1. Coursework should be available to students who continue their education in the Montana University System, but need to develop the foundational skills to succeed in rigorous, college-level classes.
 2. Remedial coursework should be identified for students, other institutions and the general public.
 3. Students should be clear about how that coursework will be used in their degree programs.
- B. A Description of the Coursework. In general, a remedial course is any course designed to help students achieve competency at the level required for full admission to a four-year baccalaureate program.
1. For purposes of this policy, remedial coursework is limited to mathematics and composition.
 2. Remedial mathematics courses are any courses that enroll students with an ACT mathematics sub-score below 21 or an SAT mathematics score below 500.
 3. Remedial composition courses are any courses that that enroll students with an ACT or SAT essay score below 7, a Montana University System Writing Assessment score below 3.5, or any other threshold score listed in Policy 301.16.
 4. The coursework described in this section of the policy is not considered college-level, does not earn college credit, and cannot be used to satisfy the requirements for an associate of arts, associate of science or baccalaureate degree.
- C. Identification of the Coursework. Remedial courses shall have course numbers that begin with a zero (0). (I.E., 0XX.)
- D. Providers of the Coursework. The following institutions in the Montana University System may offer remedial coursework and receive State general fund money for those courses:
1. the Colleges of Technology;
 2. the community colleges;
 3. The University of Montana-Western and Montana State University-Northern.

Other institutions in the Montana University System may provide remedial education, but they will not receive State general fund money for that service.

- E. Monitoring the Policy. The Office of the Commissioner of Higher Education will produce an annual report on placement and remediation, using uniform data, including test scores and course enrollments, to evaluate and analyze remedial education in the MUS.

F. Associate of Applied Science Degrees or Certificates. Coursework defined as remedial by this policy may be appropriate for these credentials.

1. Coursework described as remedial in this policy may be included in an associate of applied science degree or certificate.
2. Credit will be awarded for the coursework when it is included in an associate of applied science degree; but based on the provisions of this policy, the classes will not transfer into an associate of arts, associate of science or baccalaureate degree.
3. Associate of applied science degrees may also require specialized coursework in mathematics and/or composition that target skills needed for the degree. Those specialized courses are numbered 1XXT; but the classes will not transfer into an associate of arts, associate of science or baccalaureate degree.

II. History

Item 89-003-R1195, *Proficiency Admission Requirements and Developmental Education in the Montana University System*, approved by the Board of Regents on November 17, 1995; *Evaluation of the Montana University System's Progress on Restructuring Goals*, Special Report to the Board of Regents, October 19, 2000 by James R. Mingle and Associates; *Registrar's Manual* (OCHE 2003), Interpretation of Item 89-003-R1195 and Mingle Report; Formation of Remediation Workgroup by the Board of Regents on September 28, 2006.

**Board of Regents Meeting Report
September 19-20, 2007
Billings, MT**

***eLearning* 2007 OCHE Grant Funds
Campus Project Summary Highlights**

Background

The 2005 Montana Legislature provided the OCHE with support funding to create a position for OCHE to coordinate and support development of *eLearning* by the MUS campuses. In addition to creating and filling the coordinator position, the MUS campuses worked throughout the biennium to increase the numbers and types of *eLearning* courses and programs being offered, and supported the effort to build and populate the new *eLearning* website (<http://mus.edu/online>).

In order to further support faculty professional development, as well as development of State-supported, academic credit bearing *eLearning* courses and delivery, the OCHE coordinated a grant program to the campuses, starting in December 2006. Grants up to \$5,000 were initially offered to fund campus proposals that were strategically aligned with the MUS *eLearning* activities. The campuses agreed to match the grant dollars with local funds in support of the projects. A second round of funding up to \$2,500 per campus was offered in May, under the same general terms and conditions. A copy of the project descriptions and grants, by campus, is attached. The following narrative highlights the noteworthy accomplishments of the campuses.

Community Colleges

- Dawson Community College declined participation due to the lack of a campus-based *eLearning* program.
- Flathead Valley Community College participated (granted \$6,500) and noted:
 1. Sent four participants (including faculty) to professional development sessions on *eLearning* technology, faculty development, student online success, etc.
 2. Two additional faculty members were provided professional development in a new software learning management platform.
 3. Faculty stipends were provided for the development of seven new online courses for General Education and to support the online Medical Transcription Certificate.
 4. Two faculty members piloted development and course conversion for a distance delivery platform.
- Miles Community College (granted \$5,000) to develop an online degree program, and actually developed 12 new online courses to fill General Education and program requirements, using “Quality Matters” standards. MCC has engaged 16 faculty to develop a total of 35 new online courses in 2007 & 2008.

University of Montana Campuses

- UM-Western (granted \$5,000) noted:
 1. Eleven existing courses were converted to online format for delivery.
 2. Two new online courses were developed to meet General Education requirements.
 3. All campus faculty were provided opportunities to attend WebCT platform training, and seven faculty developed online courses for the first time.
 4. Courses from eight academic disciplines were funded for development.
- UM-Montana Tech (granted \$2,500) noted:
 1. A new math course in elementary stats was developed by faculty for Blackboard-based delivery.
 2. A new hybrid Blackboard-based course in Principles of Speaking was developed by faculty.
 3. The campus surveyed students and developed an Online Student Readiness course to introduce students to online courses and to improve student support, retention, and completion.
- UM-Missoula (granted \$5,000) noted that the grant was to develop marketing materials for online and for the new MUS website containing the online MUS Gen Ed Core courses offered by the campuses. Significant materials were generated in the process, including a possible online logo. However, the logo created a departure from the consistent appearance that existed throughout the OCHE website, so it was not implemented. There were several advertising themes that were generated to support advertising of the

website and online education by all of the campuses, and several of these may be used in the near future. The online slogan or “tag line” that surfaced and was universally accepted by the campuses now appears on all of the pages in the “online” section of the website: “One website – Eleven campuses,” as the website was built to expand as we add more online courses and programs from all of the campuses.

- UM-Helena CoT (granted \$5,000) noted:
 1. Funding was used to pay full-time faculty to develop a new online General Education course in English Composition, available for delivery in Fall Semester 2007.
 2. Funding was also used to pay full-time faculty to develop a new online General Education course, Introduction to Psychology, also available for delivery in Fall Semester 2007. As of August 22, enrollment was at 28 students!

Montana State University

- MSU-Northern (granted \$7,500) noted:
 1. Enrolled 23 faculty in a professional development two credit course, “Seminar in Online Course Development,” and each faculty member was required to develop an online course in their academic discipline.
 2. The MSU-N Bookstore developed and implemented an online bookstore component for students, and an electronic fee payment option was concurrently implemented for students in July 2007.
 3. Staff engaged in professional development and training in the use and maintenance of a new learning management system (Moodle) currently under review by MSU-Bozeman.
 4. The campus home web page was updated to provide easier access to students seeking information about online learning and online courses offered by the campus.
- MSU-Billings (granted \$5,000) to support the conversion and development of detail course information for over 70 online courses to the new common template utilized for the MUS website. Where possible, scripts were written to electronically import the data, to allow for further scalability in the future as the website is expanded. It also allows MSU-B to maintain timely and accurate information at the website by being able to regularly update the website database using technology to the greatest extent possible.
- MSU-Bozeman (granted \$5,000) to fund an external review to identify ways to strengthen programs, increase student access, improve efficiencies in delivering online education and services, and identify potential new niche markets. Two nationally recognized leaders in distance learning conducted the review and spent two days at MSU interviewing deans, faculty, and support staff involved in *eLearning*. The final report has not yet been provided by the reviewers, but preliminary review by *elearning* administrators revealed that the campus strengths, weaknesses, opportunities, and threats for distance learning and *eLearning* efforts were identified.
- MSU-Great Falls CoT (granted \$5,000) noted:
 1. Faculty identified 12 General Education priority courses that needed to be developed for online delivery in order to broaden the menu of online courses and to provide both breadth and depth of General Education offerings, and the grant was used to support the course development. In June, the CoT hosted a celebration to showcase the twelve new courses and the faculty that were responsible for their development. The twelve new courses represented four primary academic program areas.
 2. An average of 16 new students have enrolled in each new course for this Fall Semester.
 3. “Best Practices” were incorporated in the development of the new courses by the faculty, who used the nationally recognized “Quality Matters” course design standards.

It is very clear that the campus grants were utilized by the campuses to help meet their greatest needs in supporting the development of *eLearning* and related online student services. Following the two day strategic planning meeting of the campus *eLearning* Advisory Committee in early August, it was clear that there is both a desire and a need to continue these support grants to the campuses, and to leverage their internal investment in their respective *eLearning* needs. It is our intent to invite additional proposals in several strategic areas and to again award support grants to the campuses, using one-time-only funding provided by the 2007 Legislature.

MEMORANDUM

DATE: September 19 – 21, 2007

TO: Montana Board of Regents

FROM: Roger Barber, Deputy Commissioner for Academic & Student Affairs

RE: Level I Approvals and Announcements

This memorandum is intended to inform you of the Level I changes in academic programs that have been approved in the Office of the Commissioner of Higher Education since the May 2007 meeting of the Board of Regents. It also includes announcements that may be of interest to the Board. If you have any questions, I would be happy to answer them with the help of my colleagues in academic affairs.

Montana State University-Bozeman:

- Montana State University-Bozeman filed a Notice of Intent to terminate its Bachelor of Science degree in Agricultural Operations Technology in May 2007. All of the steps in the termination process have been completed, and the degree is, therefore, eliminated. *ITEM 135-2012+R0507*

Montana State University-Great Falls College of Technology:

- Montana State University-Great Falls College of Technology filed a Notice of Intent to terminate the three (3) options associated with its Associate of Applied Science degree in Office Technology in May 2007. I.E., Executive/Administrative Assistant, Attorney's Administrative Assistant, and Medical Administrative Assistant. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. *ITEM 135-2852+R0507*
- Montana State University-Great Falls College of Technology filed a Notice of Intent to terminate three (3) Certificates of Applied Science in May 2007. The Certificates are General Office Assistant, Legal Receptionist, and Medical Receptionist. All of the steps in the termination process have been completed, and the three certificates are, therefore, eliminated. *ITEM 135-2853+R0507*

The University of Montana-Helena College of Technology:

- The University of Montana-Helena College of Technology initiated the process to terminate its Certificate in Diesel Technology by filing a Notice of Intent.
ITEM 136-1902+R0907
- The University of Montana-Helena College of Technology requested permission to change the name of its Certificate in Metals Technology to Machine Tool Technology. That Certificate will also be change to a Certificate of Applied Science at this meeting, if the Board of Regents approves ITEM 136-1901-R0707.
ITEM 136-1903+R0907
- The University of Montana-Helena College of Technology asked to change the name of it Associate of Applied Science degree in Metals Technology, with an option in CNC/ Programming, to an Associate of Applied Science degree in Machine Tool Technology. *ITEM 136-1904+R0907*

Announcements:

Campus-Authorized Certificates:

The following certificate programs of 30 credits or less were created, under Board of Regents' Policy 303.1, since the May 2007 meeting of the Board:

- Microsoft Office Specialist, Montana State University-Great Falls College of Technology
- Cisco Certified Networking Associate, Montana State University-Great Falls College of Technology
- Cisco Certified Networking Professional, Montana State University-Great Falls College of Technology
- Computerized Machine Tool Technology, The University of Montana-Western
- Early Childhood, The University of Montana-Western
- Information Technology & Network Administration, The University of Montana-Western

Accreditation Decisions:

The Northwest Commission on Colleges and Universities notified the Office of the Commissioner of Higher Education about the following decisions in recent months:

- approval of the substantive change request from The University of Montana-Missoula to establish a Higher Education Center in Hamilton, Montana. That decision occurred in June 2007.
- reaffirmation of the accreditation of Flathead Valley Community College, following the regular five-year, interim visit in Spring 2007.

- reaffirmation of the accreditation of Miles Community College, following a focused, interim visit in Spring 2007. The Commission has set a return visit, in Fall 2008, on some of its recommendations.
- reaffirmation of the accreditation of The University of Montana-Helena College of Technology, following a focused interim visit in Spring 2007.
- reaffirmation of the accreditation of The University of Montana-Western following a focused interim visit in Spring 2007.
- reaffirmation of the accreditation of Montana State University-Great Falls College of Technology, following a focused interim visit in Spring 2007.

Out-of-State Institutions:

Moody Bible Institute in Chicago, Illinois, notified the Office of the Commissioner of Higher Education about its plans to offer coursework in Billings, Montana. Moody Bible Institute is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

Florida Gulf Coast University in Fort Myers, Florida, notified the Office of the Commissioner of Higher Education about its plans to offer a Master's degree in Educational Technology in an online format in Montana. Florida Gulf Coast University is accredited by the Southern Association of Colleges and Schools.

Regions University of Montgomery, Alabama, notified the Office of the Commissioner of Higher Education that it intends to offer courses and degree programs in Montana via distance learning. Regions University is accredited by the Southern Association of Colleges and Schools.

Indiana Wesleyan University in Marion, Indiana, informed the Office of the Commissioner of Higher Education that it plans to offer a variety of on-line degree programs in Montana from the associate to masters' level. Indiana Wesleyan University is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

MONTANA BOARD OF REGENTS

LEVEL I REQUEST FORM

Item No.:	136-1902+R0907	Date of Meeting:	September 19-21, 2007
Institution:	The UM-Helena College of Technology		
Program Title:	Termination of Certificate in Diesel Technology		

Level I proposals are those that may be approved by the Commissioner of Higher Education or the Commissioner's designee. The approval of such proposals will be conveyed to the Board of Regents at the next regular meeting of the board. The institution must file the request with the Office of the Commissioner of Higher Education by means of a memo to the Deputy Commissioner.

A. Level I action requested (check all that apply): Level I proposals include campus initiatives typically characterized by (a) minimal costs; (b) clear adherence to approved campus mission; and (c) the absence of significant programmatic impact on other institutions within the Montana University System and Community Colleges.

- 1. Re-titling existing majors, minors, options and certificates; (e.g. from B.S. in Mechanized Agriculture to B.S. in Agricultural Operations Technology);
- 2. Eliminating existing majors, minors, options and certificates via a Program Termination Checklist;
- 3. Adding new minors or certificates where there is a major;
- 4. Adding new minors or certificates where there is an option in a major;
- 5. Departmental mergers and name changes;
- 6. Program revisions; and
- 7. Distance delivery of previously authorized degree programs.

B. Level I with Level II documentation: With Level II documentation circulated to all campus chief academic officers in advance, the Commissioner or designee may propose additional items for inclusion in the Level I process. For these items to move forward, the Commissioner or designee must reach consensus with the chief academic officers. When consensus is not achieved, the Commissioner or designee will move the item to the Level II review process.

- 1. Options within an existing major or degree;
- 2. Eliminating organizational units within larger institutions such as departments, divisions and colleges or schools *with the exception of the five Colleges of Technology where changes require Board action;*
- 3. Consolidating existing programs and/or degrees.

C. Temporary Certificate or A.A.S. degree programs: Certificate or Associate of Applied Science Degree Programs may be submitted as Level I proposals, with memo and backup documentation, when they are offered in cooperation with and/or at the request of private or public sector partners and the decision point to offer the program is not consistent with the regular Board of Regents program approval process. Level I approval for programs under this provision will be limited to two years. Continuation of a program beyond the two years will require the normal program approval process as Level II Proposals.

All other Certificate or Associate Degree programs may be placed on submission at any Board of Regents meeting. They will be placed on action agendas at subsequent meetings. All campuses agree to insure that all other campuses receive program information well in advance of submission.

Item No.: 136-1902+R0907	Institution: The UM-Helena College of Technology
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Specify Request:

The University of Montana - Helena College of Technology seeks approval from the Montana Board of Regents of Higher Education to terminate its Certificate in Diesel Technology.

See attached termination checklist.

MONTANA BOARD OF REGENTS

LEVEL I REQUEST FORM

Item No.:	136-1903+R0907	Date of Meeting:	September 19-21, 2007
Institution:	The UM-Helena College of Technology		
Program Title:	Machine Tool Technology Certificate		

Level I proposals are those that may be approved by the Commissioner of Higher Education or the Commissioner's designee. The approval of such proposals will be conveyed to the Board of Regents at the next regular meeting of the board. The institution must file the request with the Office of the Commissioner of Higher Education by means of a memo to the Deputy Commissioner.

A. Level I action requested (check all that apply): Level I proposals include campus initiatives typically characterized by (a) minimal costs; (b) clear adherence to approved campus mission; and (c) the absence of significant programmatic impact on other institutions within the Montana University System and Community Colleges.

- 1. Re-titling existing majors, minors, options and certificates; (e.g. from B.S. in Mechanized Agriculture to B.S. in Agricultural Operations Technology);
- 2. Eliminating existing majors, minors, options and certificates via a Program Termination Checklist;
- 3. Adding new minors or certificates where there is a major;
- 4. Adding new minors or certificates where there is an option in a major;
- 5. Departmental mergers and name changes;
- 6. Program revisions; and
- 7. Distance delivery of previously authorized degree programs.

B. Level I with Level II documentation: With Level II documentation circulated to all campus chief academic officers in advance, the Commissioner or designee may propose additional items for inclusion in the Level I process. For these items to move forward, the Commissioner or designee must reach consensus with the chief academic officers. When consensus is not achieved, the Commissioner or designee will move the item to the Level II review process.

- 1. Options within an existing major or degree;
- 2. Eliminating organizational units within larger institutions such as departments, divisions and colleges or schools *with the exception of the five Colleges of Technology where changes require Board action;*
- 3. Consolidating existing programs and/or degrees.

C. Temporary Certificate or A.A.S. degree programs: Certificate or Associate of Applied Science Degree Programs may be submitted as Level I proposals, with memo and backup documentation, when they are offered in cooperation with and/or at the request of private or public sector partners and the decision point to offer the program is not consistent with the regular Board of Regents program approval process. Level I approval for programs under this provision will be limited to two years. Continuation of a program beyond the two years will require the normal program approval process as Level II Proposals.

All other Certificate or Associate Degree programs may be placed on submission at any Board of Regents meeting. They will be placed on action agendas at subsequent meetings. All campuses agree to insure that all other campuses receive program information well in advance of submission.

Item No.: 136-1903+R0907	Institution: The UM-Helena College of Technology
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Specify Request:

UM-Helena requests that the Certificate of Applied Science in Metals Technology be changed to Certificate of Applied Science in Machine Tool Technology.

The title Certificate in Applied Science in Metals Technology does not accurately reflect the current content and curriculum of this certificate and may be confused with other programs at UM-Helena. The Certificate of Applied Science in Machine Tool Technology will better reflect titles being used in the current job market, as well as differentiate it from other degrees offered at UM-Helena in the metals field.

MONTANA BOARD OF REGENTS

LEVEL I REQUEST FORM

ITEM NO.:	136-1904+R0907	DATE OF MEETING:	September 19-21, 2007
INSTITUTION:	The UM-Helena College of Technology		
PROGRAM TITLE:	A.A.S. in Machine Tool Technology		

Level I proposals are those that may be approved by the Commissioner of Higher Education or the Commissioner's designee. The approval of such proposals will be conveyed to the Board of Regents at the next regular meeting of the board. The institution must file the request with the Office of the Commissioner of Higher Education by means of a memo to the Deputy Commissioner.

A. LEVEL I ACTION REQUESTED (CHECK ALL THAT APPLY): Level I proposals include campus initiatives typically characterized by (a) minimal costs; (b) clear adherence to approved campus mission; and (c) the absence of significant programmatic impact on other institutions within the Montana University System and Community Colleges.

- 1. Re-titling existing majors, minors, options and certificates; (e.g. from B.S. in Mechanized Agriculture to B.S. in Agricultural Operations Technology);
- 2. Eliminating existing majors, minors, options and certificates via a Program Termination Checklist;
- 3. Adding new minors or certificates where there is a major;
- 4. Adding new minors or certificates where there is an option in a major;
- 5. Departmental mergers and name changes;
- 6. Program revisions; and
- 7. Distance delivery of previously authorized degree PROGRAMS.

B. LEVEL I WITH LEVEL II DOCUMENTATION: With Level II documentation circulated to all campus chief academic officers in advance, the Commissioner or designee may propose additional items for inclusion in the Level I process. For these items to move forward, the Commissioner or designee must reach consensus with the chief academic officers. When consensus is not achieved, the Commissioner or designee will move the item to the Level II review process.

- 1. Options within an existing major or degree;
- 2. Eliminating organizational units within larger institutions such as departments, divisions and colleges or schools *with the exception of the five Colleges of Technology where changes require Board action;*
- 3. Consolidating existing programs and/or degrees.

C. TEMPORARY CERTIFICATE OR A.A.S. DEGREE PROGRAMS: Certificate or Associate of Applied Science Degree Programs may be submitted as Level I proposals, with memo and backup documentation, when they are offered in cooperation with and/or at the request of private or public sector partners and the decision point to offer the program is not consistent with the regular Board of Regents program approval process. Level I approval for programs under this provision will be limited to two years. Continuation of a program beyond the two years will require the normal program approval process as Level II Proposals.

All other Certificate or Associate Degree programs may be placed on submission at any Board of Regents meeting. They will be placed on action agendas at subsequent meetings. All campuses agree to insure that all other campuses receive program information well in advance of submission.

Item No.: 136-1904+R0907	Institution: The UM-Helena College of Technology
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Specify Request:

UM-Helena requests that the title of Associate of Applied Science Metals Technology/CNC Programming Option be changed to Associate of Applied Science Machine Tool Technology. This change in title will better reflect the content and curriculum of the degree and reduce confusion between the AAS in Machine Tool Technology and the AAS in Metals Technology.

STAFF AND COMPENSATION
Montana State University -- Billings
Ballroom, Student Union Building
Thursday, September 19, 2007
4:15 – 5:30 PM

4:15 PM Roll Call and Review of Minutes

ACTION

4:20 PM Multiple-year contracts for non-tenure-track faculty; revise BOR Personnel Policy 711.3. [ITEM 136-105-R0907](#) [Policy](#)

INFORMATION

4:25 PM [Report](#) from the Recruitment and Retention Task Force.

CONSENT

5:00 PM Staff Items

- a. Staff: OCHE. [ITEM 136-100-R0907](#)
- b. Staff: UM-Missoula. [ITEM 136-1000-R0907](#)
- c. Professor Emeritus of Education, L. Dean Sorenson: UM-Missoula. [ITEM 136-1001-R0907](#)
- d. Professor Emeritus of Education and Home Economics, Audrey Peterson: UM-Missoula. [ITEM 136-1002-R0907](#)
- e. Professor Emeritus of Education and Home Economics, Marlene Bachmann: UM-Missoula. [ITEM 136-1003-R0907](#)
- f. Professor Emeritus of Forest Biometry, Hans Zuuring: UM-Missoula. [ITEM 136-1004-R0907](#)
- g. Professor Emeritus of Wildland Recreation Management, Stephen F. McCool: UM-Missoula. [ITEM 136-1005-R0907](#)
- h. Staff: Montana Tech-UM. [ITEM 136-1500-R0907](#)
- i. Staff: UM-Western. [ITEM 136-1600-R0907](#)
- j. Staff: MSU-Bozeman. [ITEM 136-2000-R0907](#)
- k. Staff: MSU-Billings. [ITEM 136-2700-R0907](#)
- l. Staff: MSU-Northern. [ITEM 136-2800-R0907](#)
- m. Staff: MSU-GF CoT. [ITEM 136-2850-R0907](#)

Labor Agreements

- a. Montana Public Employees Association. [ITEM 136-108-R0907](#) [Agreement](#)
- b. Printers and Communication Workers Union. [ITEM 136-109-R0907](#) [Agreement](#)
- c. Plumbers and Pipefitters. [ITEM 136-110-R0907](#) [Agreement](#)
- d. Pacific Northwest Council of Carpenters. [ITEM 136-111-R0907](#) [Agreement](#)

- e. Montana District Council of Laborers. [ITEM 136-112-R0907 Agreement](#)
- f. International Brotherhood of Electrical Workers. [ITEM 136-113-R0907 Agreement](#)
- g. Maintenance Painters Union. [ITEM 136-114-R0907 Agreement](#)
- h. AFSCME (Miles City). [ITEM 136-115-R0907 Agreement](#)
- i. Vocational Technical Educators of Montana. [ITEM 136-116-R0907 Agreement](#)
- j. Operating Engineers (Bozeman motor pool). [ITEM 136-117-R0907 Agreement](#)
- k. MSU–Billings Faculty. [ITEM 136-118-R0907 Agreement](#)

5:20 PM PUBLIC COMMENT

5:30 PM ADJOURN

ITEM 136-105-R0907

Revisions to Montana Board of Regents' Policy 711.3, Pilot Program for Multiple-Year Contracts for Non-Tenure Track Faculty

THAT:

The Board of Regents approves the attached revisions to Policy 711.3. The most important revisions:

- 1) Make the concept of multiple-year contracts for non-tenure track faculty an operating principle in the Montana University System.
- 2) Remove any language from the Policy concerning its temporary or pilot status.
- 3) Extend the multiple-year contract period to a maximum of five years, from the three years that were permitted during the pilot phase.

EXPLANATION:

The Montana Board of Regents authorized multiple-year contracts for non-tenure track faculty positions in January 2005. Only one campus, Montana State University-Bozeman, utilized the contract option during the pilot period. The program was so successful, in Montana State University-Bozeman's opinion, that the Board of Regents is now being asked to make the policy a standing practice in the System.

The Board was asked to consider this change in 2005, to insure some stability and predictability of employment for adjunct and part-time faculty, especially when those faculty members are talented teachers and they work in positions that are hard to fill.

The item includes supporting documentation from Montana State University-Bozeman concerning its use of the contracts during the pilot period. Representatives from that institution are in attendance at the meeting, and will be happy to answer any questions the Board might have.

The revisions are supported by the staff in the Office of the Commissioner of Higher Education.

ATTACHMENTS:

Policy

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: PERSONNEL

Section: 711.3 ~~Pilot Program on~~ Multiple-Year Contracts for Non-Tenure Track Faculty
Effective January 20, 2005; Issued: February 1, 2005

Board Policy:

1. ~~This policy is adopted as an exception to Policy 711.1, on a temporary, pilot, basis. This policy will expire by its own terms without further action by the Board of Regents on April 1, 2008. Up to the date of expiration,~~ This policy allows for the entering into of multiple-year contracts for non-tenure track faculty under the terms set forth herein.

2. This policy may be used by all units of the Montana University System. Units subject to collective bargaining may bargain for multiple-year contracts but only to the extent allowed by this policy.

3. Employees on campuses to which this policy applies may be hired for periods of more than one year, but no more than ~~three~~ five years, subject to the following express conditions:

a. Such employees are faculty but not tenure-track employees.

b. The position for which the employee is being employed is one that has been identified, through appropriate campus procedures, for a multiple-year contract.

c. The total of all multiple-year contracts per campus does not exceed ten percent of the number of non-tenure-track faculty employed on the campus, exclusive of nursing programs, ~~during the fall semester of 2004.~~ For nursing programs, the total of all multiple-year contracts shall not exceed twenty-five percent of the number of non-tenure track faculty employed in that program ~~during the fall semester of 2004.~~

d. The form of multiple-year contracts must be approved by the Commissioner of Higher Education. All multiple-year faculty appointments must be reported to OCHE and approved by the Board of Regents in accordance with normal reporting and approval requirements.

4. ~~The Commissioner of Higher Education will report to the Board of Regents with respect to the use of and continued need for this policy prior to its expiration.~~

History:

Approval of Pilot Program on Multiple-Year Contracts for Non-Tenure Track Faculty (New), approved January 20, 2005, ITEM 126-104-R0105.

MONTANA UNIVERSITY SYSTEM
RECRUITMENT & RETENTION TASK FORCE

ADVISORY REPORT
TO THE
BOARD OF REGENTS

IMPROVING THE ABILITY TO HIRE
AND KEEP CAPABLE EMPLOYEES

EXECUTIVE SUMMARY

The Board of Regents directed the Commissioner of Higher Education in November of 2006 to assemble a task force to review employee turnover problems in the Montana University System and identify potential solutions.

CHARGE

The Recruitment and Retention Task Force shall research and recommend ways to improve the Montana University System's ability to attract and keep good employees. The Task Force shall report to the Commissioner and the Board of Regents on its findings in regard to hiring trends, employee turnover, and ideas for improved recruitment and retention ability (*economic and non-economic*).

FINDINGS

The Task Force held several work sessions in the spring and summer of 2007. This report is the product of those work sessions. Members of the Task Force are listed on the final page of this report.

All campuses in the Montana University System are experiencing increasing difficulty in their ability to recruit and retain faculty and staff. The Task Force believes that difficulties in recruiting and retaining employees have already led to substantial negative impacts, and the Montana University System specifically faces difficulty with:

- Securing academic accreditation;
- Recruiting and retaining students until they graduate;
- Maintaining access to facilities and environments that are clean, safe, and conducive to good teaching, learning, and research, and;
- Ensuring a high-quality system of postsecondary education for the citizens of Montana.

Should such difficulties continue, it will be impossible to protect quality and efficiencies in Montana’s system of public higher education.

The Task Force has been directed by the Regents and the Commissioner to avoid a “one-size-fits-all” solution, and to look instead for innovative ways of addressing recruitment and retention problems in order of severity. The Task Force recognizes that each campus operates in its own labor market and has difficulty filling some faculty and staff positions. These unique challenges may require different solutions depending on location and mission. Although all efforts should be made to improve across-the-board compensation equity, extraordinary efforts may be needed to fill some critical positions.

RECOMMENDATIONS

(SEE “DETAIL” SECTION FOR MORE INFORMATION)

This report identifies numerous strategies to address these factors and thereby alleviate the system’s recruitment and retention problems. Recommendations are presented in the following order: (1.) interests affecting all employee groups; (2.) interests affecting primarily faculty, non-faculty professional level, and administrative employees, and; (3.) interests affecting primarily support staff who are covered by the classified pay plan (*Montana University System Staff Compensation Plan*).

All Employee Groups

1. ***Montana University System Pay Plan Process. The Task Force recommends :***
 - ***Pre-budget salary planning in the early stages of the executive budgeting process.*** The Montana University System must work to ensure that campuses have adequate resources to provide competitive and adequate compensation levels to its employees. For this reason, establishing a system of pre-budget salary planning is the Task Force’s highest priority in addressing the recruitment and retention of system personnel and is essential to securing the needed resources to do so.

- *The use of external comparators in salary analysis for all occupational groups in the Montana University System.*
 - *System-wide efforts to address inversion and compression.*
2. ***Dependent Partial Tuition Waiver :***
The Task Force recommends the Regents consider increasing the benefit of the dependent partial tuition waiver or Montana University System employees. The Task Force recognizes the considerable potential for an improved dependent partial tuition waiver to provide incentive within all categories of employees to apply, and remain, within the Montana University System.
 3. ***Housing :***
The Task Force recommends further examination of special programs to help employees purchase homes or pay initial rental costs.
 4. ***On-campus Child Care :***
The Task Force recommends that campuses consider the feasibility of on-campus child care for the children of campus employees.
 5. ***Support of Graduate Programs :***
The Task Force recommends better support and visibility of graduate education.
 6. ***Summer Session Support :***
The Task Force recommends maximum support and marketing of summer sessions. The potential for faculty and staff to earn additional compensation in support of a vibrant summer session is attractive to potential employees. Summer is a wonderful time in Montana – it should be used as a recruitment tool for faculty, staff, and students.

Faculty, Professionals, Administrators

1. ***Optional Retirement Program :***
The Task Force recommends ongoing commitment to increasing the employer contribution in the Montana University System Optional Retirement Program (ORP).

2. *Faculty “Start-up” Packages :*
The Task Force recommends increased support for competitive faculty start-up packages.

3. *Merit Pay :*
The Task Force recommends the use of merit pay as a supplement to general pay raises to encourage and support excellence in job performance. The concept of merit pay is also possible for support staff covered by the classified pay plan. The primary focus in this report is on faculty, administrators, and contract professionals. In unionized workplaces, merit pay is a mandatory subject of collective bargaining.

4. *Clinical Track Appointments/non-tenure track faculty :*
The Task Force recommends further development of special “clinical track” appointments for non-tenure track faculty in programs where clinicians are vital to teaching and learning.

5. *Partner Accommodation Policy :*
The Task Force recommends campus-level planning and response for dealing with increasing expectations of prospective employees that spouse/partner accommodations be part of the recruitment package.

6. *“Phased Retirement”/Post-retirement Flexibility :*
The Task Force recommends examination of post-retirement employment opportunities in the Montana University System for members of the Optional Retirement Program (ORP).

Support Staff in Classified Positions

1. *Work Opportunities for Non-full-time Staff :*
The Task Force recommends that campuses ensure seasonal work opportunities are well communicated to part-time employees.

2. *Training and Mentoring :*
The Task Force recommends a strong commitment to training and professional development.

3. ***Flexible Work Schedules :***
The Task Force recommends consideration of “non-traditional” work hours where desirable to the employee and beneficial to the employer’s program.

CONCLUSION

The members of the Task Force cannot express strongly enough their unanimous view that failure to improve our recruitment and retention ability will have further and more severe consequences on the quality of education offered by the Montana University System. We have a high-quality system of higher education that has served Montanans effectively and efficiently through a sustained period of declining state support. The recommendations in this report represent a “short list” of high-priority ways to improve employee recruitment and retention in the Montana University System. Several other strategies were considered, but did not make the short list of high priorities. The Task Force has additional information, data, and documents relating to most of the recommendations contained in this report in the event these ideas are selected to be pursued further.

DETAIL

(expanded version of recommendations)

ALL EMPLOYEE GROUPS

Montana University System pay plan process:

The Task Force recommends pre-budget salary planning in the early stages of the executive budgeting process.

The Montana University System must work to ensure that campuses have adequate resources to provide competitive and adequate compensation levels to its employees. The Task Force, therefore, recommends that the Regents collect and consider specific compensation needs of the campuses in their budget development process, starting a full year prior to the Governor's biannual budget submission. This schedule would allow time for the Regents to consider whether to pursue specific pay initiatives through the budgeting process in collaboration with the Governor's Office. The process for soliciting statements of salary needs throughout the system could vary from "hearing" or "comment" opportunities at public meetings, to public discussions with campus executives, to submission of written statements or proposals for Regents' consideration, or to formal pre-budget deliberations with faculty and staff bargaining units. While the procedure could take a number of forms, it is recommended that such planning be initiated with the 2009-2010 biennial budgeting process.

By not engaging in pre-budget planning and discussion of salary needs in recent years, the Montana University System has simply accepted the legislative allocations made in accordance with the state pay plan – a plan that the university system has little or no capacity to effect. Because employee compensation represents over 80% of the Montana University System budget, the task force believes that continuing to allow compensation budgets to be established by "default" is unsustainable at best, and irresponsible at worst. For this reason, establishing a system of pre-budget salary planning is the Task Force's highest priority in addressing the recruitment and retention of system personnel and is essential to securing the needed resources.

The Task Force supports the use of external comparators in salary analysis for all occupational groups in the Montana University System.

This means the compensation levels offered by competing higher-education institutions are relevant considerations in trying to recruit and retain capable employees in the Montana system. Compensation data from private-sector employers, or public-sector employers outside the higher education system, may also be relevant in some salary analyses. Examples of private-sector comparators include employers with whom the Montana University System competes to hire faculty and other professionals in engineering, finance, economics, nursing, business, etc., and support staff generally. Examples of other public-sector employers include Montana school districts, state, county, and city governments who compete with the campuses to recruit and retain non-faculty professionals and support staff.

The Task Force supports system-wide efforts to address inversion and compression. Regardless of the compensation calendar issues and comparator issues noted above, the Task Force believes relief is needed from two conditions that stress the pay system and hurt employee morale. These two undesirable conditions are known as salary compression and salary inversion. Salary compression and inversion have a long-term effect of inhibiting an employer's ability to retain employees because these conditions are widely perceived as unfair. "Compression" means that market pressures have caused situations where new employees are hired at essentially the same salary levels as those earned by experienced, longer-term employees in comparable positions. Compression occurs with employees in most job groups (*administrative, faculty, non-faculty professional level, and support staff on the classified pay plan*). "Inversion" is similar to compression, but worse. Inversion occurs when market pressures cause newly hired employees to earn more than experienced, longer term employees in comparable positions. Inversion occurs most frequently with employees in faculty, administrative, and non-faculty professional level positions. Inversion is not yet a substantial problem with support staff positions on the classified pay plan.

Compression and/or inversion occur when the salary levels necessary to hire new employees in a competitive market have grown much faster than the pay raises that have been provided to senior faculty and staff over the past several years. Periodically, inversion pools have been negotiated whereby at least some faculty members whose salaries have been inverted by those of newer hires have been given a salary boost to "correct" the inversion. Unfortunately, if funding is not made available on a fairly regular basis, the problem reappears quickly.

Dependent partial tuition waiver:

The Task Force recommends the Regents consider increasing the benefit of the dependent partial tuition waiver for Montana University System employees.

The Task Force recognizes the considerable potential for an improved dependent partial tuition waiver to provide incentive within all categories of employees to apply, and remain, within the Montana University System. Regents policy currently provides a 50-percent undergraduate tuition waiver at a campus of the Montana University System for a dependent of an employee who has worked at least three-quarters time for at least five continuous years. Only one dependent per employee may use the waiver per academic term. An employee may not simultaneously use the staff tuition waiver that is available under a separate policy and have his or her dependent use a dependent waiver in the same academic term. The Task Force makes no specific recommendation for an increased benefit, however, options include: expanding the waiver to greater than 50 percent of tuition; expand to allow use by more than one dependent per employee at a time; expand to allow an employee to use a staff tuition waiver in the same academic term that his or her dependent uses a dependent waiver; expand eligibility by reducing the five-year waiting period and/or reducing the minimum three-quarter-time employment requirement.

Housing:

The Task Force recommends further examination of special programs to help employees purchase homes or pay initial rental costs.

House purchase prices in Montana have risen faster than the salaries of Montana University System employees over the past several years. Many rental markets are also impacted. Housing affordability varies regionally and is best studied by locality. Affordability is particularly pertinent when an employer's competitiveness is critically challenged by other local external factors (*e.g. extraordinarily high demand for labor, very few available workers, and employers offering increasingly attractive salaries, benefits, and other perks*). In such environments, the comparison of salaries to housing costs is all the more critical to recruitment and retention efforts. The Task Force supports campus initiatives already in practice (*e.g. provision of transitional accommodation for employees; involvement in local planning ventures*), and acknowledges that local governments are beginning to examine housing affordability targets.

A variety of home ownership programs exist for college and university employees in other states. The Task Force suggests the Montana University System pursue the feasibility of any and all reasonable alternatives. Something researched by the Task Force is an option known as a second-mortgage, interest-only program. This type of program allows a home buyer who takes out a mortgage for the majority of the purchase price of a home to receive assistance from a second mortgage on the remainder of the purchase price, and only pay the interest on the second mortgage. The principal on the second mortgage must be repaid upon subsequent sale of the property.

The Task Force suggests further research of mortgage assistance concepts, including appropriate contacts with the Montana Board of Investments and other financial experts.

Research into rental housing assistance indicates that some campuses in other states own property occupied by employees. Because this is not an immediately viable option in the Montana University System, the Task Force also reviewed allowances related to housing and cost-of-living issues nationally (*e.g. the State of Wyoming's Employee Housing Assistance Policy; the military's Basic Allowance for Housing; the Federal Locality Rate*). Various non-economic or low-cost possibilities were also identified, including networking with local landlords for potential Montana University System employee preferences.

The Task Force recommends that any further study of assistance with housing costs include the examination of options for employees who rent houses and apartments.

On-campus child care:

The Task Force recommends that campuses consider the feasibility of on-campus child care for the children of campus employees.

The Task Force recognizes that child-care centers for children of college and university students are difficult to sustain as a self-sufficient operation, and some that once existed are no longer in operation. Regardless of whether efficiencies could be realized by adding employees as beneficiaries of on-campus child care, the Task Force believes this issue is an important part of an employer's ability to be "family friendly" and competitive in terms of recruitment and retention.

A high-quality child-care program at a competitive price, if located on or adjacent to campus, would be viewed as a benefit by employees who have children in day care. An increased benefit in this area would likely increase the employer's ability to recruit and retain employees. The Task Force recommends examination of innovative models of child care.

One example reviewed by the Task Force was the "state model" that exists in Helena for employees of Montana state government. State agencies in Helena contribute funds to lease a portion of a former elementary school in the Helena School District near the state Capitol complex. An experienced private child-care provider was selected, through competitive selection, to operate the day care program. The operation is a private business that does not have to pay toward the lease or toward any facility overhead costs. The fees charged to parents by the provider must be at a guaranteed competitive rate and go directly toward the provider's operational costs (*e.g., wages for child care workers, supplies, food, etc.*). The rates are not the lowest in town, but they are competitive, and employees value the day care center's proximity to the parents' workplace.

Support of Graduate Programs:

The Task Force recommends better support and visibility of graduate education.

The potential to be involved in graduate education at either the Ph.D. or master's level is attractive to many faculty, particularly junior faculty, and particularly faculty who are research active. The current perception is that graduate education is neither valued nor supported in Montana. Additional funding to support graduate assistants at a nationally competitive level would allow departments to more vigorously recruit students, also, additional graduate assistants would support faculty as they develop research programs through enabling decreased teaching loads, and other support mechanisms aimed at making tenure-track faculty successful at the retention and tenure-review points. A consistent source of funds at the campus level for equipment and technology purchases to support faculty activity would indicate support for graduate education and make the Montana University System a more attractive employer.

Summer session support:

The Task Force recommends maximum support and marketing of summer sessions.

The potential for faculty and staff to earn additional compensation in support of a vibrant summer session is attractive to potential employees. Summer is a wonderful time in Montana – it should be used as a recruitment tool for faculty, staff, and students. Providing departments incentives to offer summer courses would be productive for both the individual (*salary potential*) and the institution (*increased FTE generation*). Examples of ways to encourage offerings are: allow non-traditional scheduling of courses, offer innovative courses on a “just-in-time” basis, apply the tuition generated to covering the cost of the course, provide administrative/clerical support for summer offerings. A competitive program of summer research fellowships or awards (*of \$3,000 - \$5,000*) would be an added attraction for new faculty.

FACULTY, PROFESSIONALS, ADMINISTRATORS

Optional Retirement Program:

The Task Force recommends ongoing commitment to increasing the employer contribution in the Montana University System Optional Retirement Program (ORP).

Most faculty, administrators, and professionals hired under individual employment contracts are members of the Optional Retirement Program (ORP). This is a “defined-contribution” retirement plan in which the employee directs the investments and assumes all the risks. Faculty, administrators, and contract professionals, unlike most public employees, don’t get to choose between a defined-contribution plan and a traditional “defined-benefit” pension (*defined-benefit pays a guaranteed amount with no employee assumption of risk*). Until 2007, the employer’s contribution was an amount equal to 4.96% of the employee’s salary, but the Legislature passed and Governor signed a measure to increase the contribution to 5.96% of salary. Although still a relatively low amount, the Task Force appreciates this increase.

Prospective faculty, administrators, and professionals “shop and compare” when they are considering jobs. Retirement benefits are a significant part of an employment compensation package. Montana’s employer contribution of 5.96% of salary lags behind the average of about 9% in the Western states. The Task Force acknowledges the significance of the recent increase in the employer contribution, but recommends continued commitment toward increasing the benefit toward the 9% Western states average.

Faculty “start-up” packages:

The Task Force recommends increased support for competitive faculty start-up packages.

Start-up packages for new faculty members, especially in the science disciplines, have long been one of the expenses for hiring (*and retaining*) high quality professors. In recent years the required start-up packages have become increasingly expensive as the costs of lab renovation and equipment, summer salaries and travel support have gone up significantly. It is virtually impossible to hire a new science faculty member, at least at a university with research expectations, without making such start-up support available. While such support is less costly in other disciplines, funding for professional development, travel, and small pieces of equipment and software are now required in the humanities and social science disciplines. At institutions where research expectations are minimal, some support for relocation costs is expected by most new faculty members today. If our colleges and universities strive to hire and then retain high quality faculty members, they have to have resources available to provide such start-up support.

Merit Pay:

The Task Force recommends the use of merit pay as a supplement to general pay raises to encourage and support excellence in job performance.

The Task Force recognizes the importance of general pay raises that keep up with the cost of living, however, a reward system with incentives for remarkable achievement is also valuable. The concept of merit pay is also possible for support staff covered by the classified pay plan. The primary focus in this recommendation is on faculty, administrators, and contract professionals. Merit pay is subject to bargaining in a unionized workplace.

A question that is frequently posed during the hiring process by prospective faculty members and other professionals is whether their initial salary will necessarily “lock” them into a situation where their only means of achieving raises will be the annual salary increase or infrequent promotion. The institution has a much higher chance of answering that question satisfactorily, and thereby being able to hire the high quality questioner, if it can say that it also has a merit process whereby a faculty member or professional employee can “earn” additional salary increases by performing at a higher level than the normal expectations would require. It is also the case that higher performing faculty members and professionals have a greater chance of being hired away by other institutions if they cannot improve their salary situation through merit programs.

There are times when merit increases are not sufficient to retain excellent faculty members or professionals, especially when they receive an offer or are being courted by another institution and our institutions have little or no means to make counter offers. Consequently, in order to retain our “best and brightest,” Montana universities and colleges must have sufficient market funds to make meaningful counter offers (*they don't always need to equal the other institution's offer*).

Clinical Track Appointments / non-tenure track faculty:

The Task Force recommends further development of special “clinical track” appointments for non-tenure track faculty in programs where clinicians are vital to teaching and learning.

Professional programs require a significant number of excellent clinicians in order to offer high quality clinical programs. These clinicians are currently hired, sometimes for many years, on annual adjunct appointments. These individuals often contribute in significant ways to the stability and governance of the professional program, for example, chairing committees, serving on graduate committees, etc. Clinical track positions are intended to be more sensitive to programmatic changes than are tenure-track positions. They do not lead to de-facto tenure.

The recent implementation of a limited number of three-year appointments has been helpful. Examples include, but are not limited to, faculty appointments in nursing at Montana State University and law at the University of Montana. There is not, however, a trajectory and a

developmental process for individuals in these non-tenure track appointments. The development of a non-tenure track series for faculty in professional disciplines recognizes the important instructional and service contributions of these individuals to the professional programs, maintains the degree of flexibility necessary for the professional program to meet changing professional expectations and demand, and sets a set of expectations and opportunities for advancement within that track. Clinical track appointments would be renewable, full-time, non-tenure earning, faculty appointments that could vary in length based upon rank. The clinical track would provide for advancement in rank, and would focus on clinical and classroom instruction.

An appointment, annual review, and renewal of appointment and promotion system similar to that established for tenure-track faculty would be based on a separate set of qualifications and performance expectations that emphasizes teaching in both the clinical and classroom setting, clinical scholarship related to practice, and service. These appointments could be supported in whole or in part by appropriated funds, grant funds, contract funds, or income from clinical practice plans, or from other sources. There would be a limit on the proportion of clinical track faculty members who have any part of their salary paid through appropriated funds (eg. no more than 45% of the budgeted full-time faculty positions in a college). Clinical track faculty supported wholly by grant or non-appropriated funds would not be included in this limit.

Partner Accommodation Policy:

The Task Force recommends campus-level planning and response for dealing with increasing expectations of prospective employees that spouse/partner accommodations be part of the recruitment package.

It is increasingly common in the hiring process to have top-notch candidates raise the issue, during the interview or after the job offer, of “spousal or partner accommodation.” Some candidates will not accept the position unless a job can also be made available to the spouse/partner. Some universities now fund this benefit on a priority basis (*diversity, targeted groups, “must have” faculty members, hard-to-hire-for disciplines*). The opportunities available for spouses or partners need not always be a tenure-track position or full-time job. This issue can make or break the hiring of the selected candidate.

“Phased retirement”/post-retirement flexibility:

The Task Force recommends examination of post-retirement employment opportunities in the Montana University System for members of the Optional Retirement Program (ORP).

Most faculty members and contract professionals who retire from the Montana University System today are not enrolled in the Optional Retirement Program (ORP), but rather, are enrolled in the Teachers Retirement System (TRS) pension plan. Campuses that now employ retired faculty members or contract professionals on a part-time basis are familiar with the TRS statutes that limit the employee’s salary to one-third of their pre-retirement salary. This limits most post-retirement arrangements to substantially less than half-time work.

In the future, most retiring faculty members and contract professionals will be members of the ORP instead of TRS. The ORP does not require the one-third salary limitation that TRS requires for post-retirement employment. Therefore, the Montana University System could exercise greater flexibility in future post-retirement situations. For example, if the system were to make such a policy decision, a campus could potentially employ a retired faculty member at a half-time salary, making the employee eligible for employer-paid health insurance (*a likely recruitment incentive*) while drawing ORP retirement benefits.

SUPPORT STAFF IN CLASSIFIED POSITIONS

Work opportunities for non-full-time staff:

The Task Force recommends that campuses ensure seasonal work opportunities are well communicated to part-time employees.

A significant number of support staff members in classified positions are not employed year-round. Examples include certain employees in food service and residence life, who are not required on campus over the summer. Additional opportunities for employees to earn income are likely to help with recruitment and retention. The Task Force recommends that if work is expected to be available on campus in the summer, (please also see the Task Force’s recommendation for “summer session support”) the work opportunity be communicated internally to campus employees.

Training and mentoring:

The Task Force recommends a strong commitment to training and professional development.

Among the critical effects of the diminishing ability to recruit and retain good employees is the loss of institutional knowledge - something to which the MUS is particularly vulnerable because of its unique systems and policies. It is essential, especially in times of high turnover, to maintain a base of knowledge of the procedures and principles vital to the performance of the unit. In addition, it behooves the MUS to both attract and retain motivated and creative employees interested in career progression, and to provide for professional growth opportunities on our campuses. In the context of recruitment and retention, therefore, training, mentoring, and supervisory support may be considered inter-dependent. The Montana University System's competitiveness within local employment markets will benefit from the promotion of innovative programming, and from recognizing and strengthening each campus' unique niche and cultural identity. The Task Force recommends the pursuit and support of professional development, training, mentoring, and supervisor training needs and opportunities for all classified employees.

Flexible work schedules:

The Task Force recommends consideration of “non-traditional” work hours where desirable to the employee and beneficial to the employer’s program.

Flexible schedules work best when meeting both the work unit's operational needs in providing efficient and effective services and the needs of employees in balancing work and personal life. A flexible schedule is one that is different from “regular office hours.” Examples include an employee working from 7:30 a.m. to 4:30 p.m. in an office that is usually open from 8 a.m. to 5 p.m., or, an employee working four 10-hour days per week instead of five 8-hour days per week. Final decisions about flexible schedules remain with the manager; however, management should consider options that satisfy institutional or department objectives in balance with interests of the employee. Potential benefits are: enhanced recruitment and retention; less tardiness; better morale and productivity; less stress through the ability to better balance work and personal responsibilities. The Task Force recommends the promotion of life and work balance, maximizing benefits to the employer by considering flexible scheduling wherever appropriate.

SUBMITTED to the Commissioner of Higher Education and the Montana Board of Regents this 22nd day of August, 2007, by the following members of the Recruitment and Retention Task Force:

Doug Abbott, Vice Chancellor, Montana Tech
Elizabeth Nichols, Dean of Nursing, Montana State University (MSU)
Erik Burke, Public Policy Director, MEA-MFT
Gerald Fetz, Dean of Arts and Sciences, University of Montana (UM)
Mary Ellen Baukol, Associate Dean, Great Falls College of Technology
Quinton Nyman, Executive Director, Montana Public Employees Association
Rob Gannon, Human Resources Director, UM
Sara France, Classified Support Staff, MSU
Shannon Taylor, Faculty, MSU
Susan Alt, Human Resources Director, MSU
Terrie Iverson, Vice Chancellor, MSU-Billings
Kevin McRae, Labor Relations, Office of Commissioner of Higher Education

NAME (Last, First)	Title/Rank	Dept.	SALARY BASE (Based on 1.0 FTE, FY unless noted)		Stipend		(N)ew or (R)eplacement & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	SPECIAL CONDITIONS	Tenure (Change Only)
			From:	To:	From:	To:							
I. NEW HIRES													
A. Administrators/Professionals/Coaches													
Eldredge, Brad Ph.D	Coordinator of Institutional Research	OCHE		63,000			R - Trevor		1	9/1/2007			
NAME (Last, First)	Title/Rank	Dept.	SALARY BASE (Based on 1.0 FTE, FY unless noted)		Stipend		(N)ew or (R)eplacement & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	Special Conditions	Tenure (Change Only)
II. CHANGES													
A. Administrators/Professionals/Coaches													
Barber, Roger JD	FR: Deputy Commissioner for Academic and Student Affairs TO: No Change	OCHE	129,707	134,376				3.6%		10/1/2007			
Bogumill, Paul BA, Physician Asst.	FR: Director of Benefits TO: No Change	OCHE	74,880	78,324				4.6%		10/1/2007 ^	Merit, Market, Equity		
Brown, Lynette BA	FR: Associate Assistant to Commissioner and Associate Secretary to Board of Regents TO: No Change	OCHE	40,903	42,375				3.6%		10/1/2007			
Clinard, Jan Ed.D	FR: Director, Academic Initiatives TO: No Change	OCHE	64,109	66,417				3.6%		10/1/2007 ^			
DuBay, Rene BS, BA	FR: Director, Educational Talent Search and Partnerships for Access TO: No Change	OCHE	62,109	64,345				3.6%		10/1/2007 ^			
Graham, Robin	FR: Chief Financial Officer TO: No Change	GSL	70,000	70,000				0.0%		10/1/2007 ^			
Houser, Frieda BA, CPA	FR: Director of Budget and Accounting TO: No Change	OCHE	75,000	77,700				3.6%		10/1/2007			
Marks, Bruce BA, CPM	FR: Director, MGSLP TO: No Change	GSL	86,607	89,725				3.6%		10/1/2007 ^			
McRae, Kevin BA	FR: Director, Labor Relations and Personnel TO: No Change	OCHE	82,160	85,118				3.6%		10/1/2007			
Merdinger, Sandy M.Ed.	FR: Director, Gear Up TO: No Change	OCHE	62,970	65,237				3.6%		10/1/2007 ^			
Muffick, Ron BA	FR: Associate Director TO: No Change	GSL	75,000	77,700				3.6%		10/1/2007 ^			
Parisot, Arlene Ed.D	FR: Director of Workforce Development and Two Year Education TO: No Change	OCHE	81,113	84,033				3.6%		10/1/2007 ^			
Robinson, Mick MBA, CPA	FR: Associate Commissioner for Fiscal Affairs TO: No Change	OCHE	124,800	129,293				3.6%		10/1/2007			
Rosette, Sherry	FR: Assistant to Commissioner / Secretary to Board of Regents TO: No Change	OCHE	45,558	47,198				3.6%		10/1/2007			

Stearns, Sheila Ed.D.	FR: Commissioner of Higher Education TO: No Change	OCHE	196,778	203,862			3.6%	10/1/2007		
Swaney, Ellen M.Ed	FR: Director, American Indian/Minority Achievement TO: No Change	OCHE	48,819	48,819			0.0%	10/1/2007		
Swift, Catherine BA, JD	FR: Chief Legal Counsel TO: No Change	OCHE	102,797	106,909			4.0%	10/1/2007	Merit, Market, Equity	
TIETZ, LeahJo	FR: Dir of Worker's Comp & Risk Mgmt. TO: No Change	OCHE	62,000	62,000			0.0%	10/1/2007		
Trevor, Tyler BS, MS	FR: Associate Commissioner TO: No Change	OCHE	115,000	115,000			0.0%	10/1/2007		
TOTALS			1,600,309	1,648,431			3.0%			

III. ONE TIME BONUS ONLY

A. Administrators/Professionals/Coaches

None										
TOTALS			0	0			#DIV/0!			

C. Post-Retirement

NAME (Last, First)	TITLE/RANK	Dept.	SALARY (Based on .33FTE) (AY unless noted)			TERM OF HIRE				
None										

III. End of Employment / Leaves (Report only non-renewals per 711.1 and Leaves of Absence)

NAME (First, Last)	Title/Rank	Dept.	Effective Date	REASON (If Leave of Absence)						
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A. Administrators/Professionals/Coaches

None

LEGEND

TENURE:		*IMPORTANT NOTE: Additional Comp is reported annually in September
NT = Nontenurable		
P = Probationary		^ Subject to continuation of federal funds, proprietary funds and/or grants.
T = Tenured		

SALARY ADJUSTMENTS:

P = Promotion		
L = Lump Sum Bonus		
M = Merit		
R = Retention		
N = Normal		
O = Other/Specify		

EXTRA COMPENSATION:

T = Teaching		
R = Research		
G = Grant Administration		
O = Other (provide brief explanation)		

ITEM 136-1000-R0907, Staff; The University of Montana - Missoula

September 19-21, 2007

NAME (Last, First)	Title/Rank	Dept.	SALARY BASE (Based on 1.0 FTE, AY unless noted)		Stipend		(N)ew or (R)eplacement & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	Special Conditions	Tenure (Change Only)	Added Comp Prior FY/AY* Amount	Reason (Sept. Mtg ONLY)
			From:	To:	From:	To:									
II. CHANGES															
A. Administrators/Professionals/Coaches															
Allen, Bonnie	FR: Dean, Professor TO: No Change	Mansfield Library	115,000	115,000				0.00%	1	7/1/07	T - Tenure			T	
Anderson, Jennifer	FR: Head Coach, Women's Tennis TO: No Change	Intercollegiate Athletics	30,975	31,904				3.00%	1	10/1/07	N- Normal				
Aronofsky, David	FR: Legal Counsel TO: No Change	President's Office	91,800	95,800		4,000		4.36%	1	8/22/07 - 12/31/07	AT - Additional Teaching			36,319.67	AT
Bingham, Daniel	FR: Dean TO: No Change	Helena College of Technology	110,000	114,000				3.64%	1	10/1/07	N - Normal				
Branch, Teresa	FR: Vice President TO: No Change	Student Affairs	134,300	139,700				4.02%	1	10/1/07	N - Normal				
Denker, Claudia	FR: Assoc Legal Counsel Res Comp Officer TO: No Change	President's Office	60,000	63,800				6.33%	1	10/1/07	N - Normal				
Dennison, George	FR: President Professor, History TO: No Change	President's Office	191,047	197,925				3.60%	1						
Duringer, Robert	FR: Vice President TO: No Change	Admin and Finance	139,900	149,000				6.50%	1	10/1/07	N - Normal				
Dwyer, Daniel	FR: VP Research and Dev / Prof, Chemistry TO: No Change	Research and Sponsored Programs	143,900	145,900				1.39%	1	10/1/07	N - Normal				
Engstrom, Royce	FR: Prov and VP Academic Affairs, Prof, Chemistry TO: No Change	Academic Affairs	165,000	165,000				0.00%	1						
Foley, James	FR: Exec Asst to the Prest, Univ Ex Vice President TO: No Change	President's Office	114,500	119,400				4.28%	1	10/1/07	N - Normal				

Gilmore, W. Franklin	FR: Chancellor & Univ Exec VP, Prof, Chemistry TO: No Change	Montana Tech of The University of Montana	144,000	149,075				3.52%	1	10/1/07	N - Normal					
Good, Barry	FR: Dean TO: No Change	College of Technology	95,000	95,000				0.00%	1	7/1/07	T - Tenure			T		
Hauck, Robert	FR: Head Football Coach, Intercol Athletics TO: No Change	Intercollegiate Athletics	124,200	128,547				3.50%	1	10/1/07	N - Normal					
Nord, Kris	FR: Head Coach, Men's Tennis TO: No Change	Intercollegiate Athletics	45,317	46,812				3.30%	1	10/1/07	N - Normal					
Raunig, Thomas	FR: Head Track and Field Coach, Intercol Athletics TO: No Change	Intercollegiate Athletics	46,549	47,713				2.50%	1	10/1/07	N - Normal					
Sedgwick, Neil	FR: Head Women's Soccer Coach TO: No Change	Intercollegiate Athletics	53,742	55,462				3.20%	1	10/1/07	N - Normal					
Selvig, Robin	FR: Head Women's Basketball Coach TO: No Change	Intercollegiate Athletics	98,800	102,011				3.25%	1	10/1/07	N - Normal					
Steele, Joanne	FR: Head Coach, Women's Golf TO: No Change	Intercollegiate Athletics	38,273	39,459				3.10%	0.9	10/1/07	N - Normal					
Storey, Richard D.	FR: Chancellor, Prof, Biol Science TO: No Change	UM-W	131,300	136,100				3.66%	1	10/1/07	N - Normal					
Tinkle, Wayne	FR: Head Men's Basketball Coach TO: No Change	Intercollegiate Athletics	115,000	118,565				3.10%	1	10/1/07	N - Normal					
Wagner, Jerry	FR: Head Volleyball Coach TO: No Change	Intercollegiate Athletics	52,000	53,560				3.00%	1	10/1/07	N - Normal					
Walker-Andrews, Arlene	FR: Assoc Provost Prof, Psychology TO: No Change	Academic Affairs	113,600	118,300				4.14%	1	10/1/07	N - Normal					
TOTALS			2,354,203	2,428,033				3.14%								
B. Faculty																

Adams, Karen	FR: Assoc Prof TO: No Change	Political Science	52,014	52,014				0.00%	1	7/1/07	T - Tenure			T		
Blunt, Judy	FR: Assoc Prof TO: No Change	English	51,577	51,577				0.00%	1	7/1/07	T - Tenure			T		
Bowler, Bruce	FR: Professor TO: No Change	Chemistry	90,000	90,000				0.00%	1	7/1/07	T - Tenure			T		
Bradley-Browning, Nicole	FR: Assoc Prof TO: No Change	Drama/Dance	47,098	47,098				0.00%	1	7/1/07	T - Tenure			T		
Campana, Jillian	FR: Assoc Prof TO: No Change	Drama/Dance	48,377	48,377				0.00%	1	7/1/07	T - Tenure			T		
Cardozo-Pelaez, Fernando	FR: Assoc Prof TO: No Change	Biomedical and Pharm Sciences	54,038	54,038				0.00%	0.5	7/1/07	T - Tenure			T		
			72,180	72,180				0.00%	0.5							
Cook, Nancy	FR: Assoc Prof TO: No Change	English	60,320	60,320				0.00%	1	7/1/07	T - Tenure			T		
Costa, Bruce	FR: Assoc Prof TO: No Change	Accounting and Finance	85,055	85,055				0.00%	1	7/1/07	T - Tenure			T		
Gallagher, Tom	FR: Level III, Chair TO: No Change	Coll of Tech - Applied Computing and Electronics	45,039	45,039	2,500			0.00%	1	7/1/07	T - Tenure			T		
Golbeck, Amanda	FR: Professor TO: No Change	Public Health	90,000	90,000				0.00%	1	7/1/07	T - Tenure			T		
			126,961	126,961				0.00%								
Hightower Gagliardi, Elaine	FR: Professor TO: No Change	School of Law	87,238	87,238	3,200			0.00%	1	7/1/07	T - Tenure			T		
Humphrey, Reed H.	FR: Professor, Chair TO: No Change	Physical Therapy and Rehabilitation Sciences	85,000	85,000	3,400			0.00%	1	7/1/07	T - Tenure			T		
Kinch, Ashby	FR: Asst Professor TO: Assoc Prof	English	49,362	49,362				0.00%	1	7/1/07	P - Promotion T - Tenure			T		
Klink, Joanna	FR: Assoc Prof TO: No Change	English	60,248	60,248				0.00%	1	7/1/07	T - Tenure			T		
Larson, Gregory	FR: Assoc Prof TO: No Change	Communication Studies	56,577	56,577				0.00%	1	7/1/07	T - Tenure			T		
McGuirl, Michele	FR: Asst Professor TO: Assoc Prof	Div of Biol Sciences	44,886	44,886				0.00%	0.5	7/1/07	P - Promotion T - Tenure			T		
			53,282	53,282				0.00%	0.5							

Molgaard, Craig	FR: Professor, Chair TO: No Change	Public Health	92,000	92,000	2,900			0.00%	1	7/1/07	T - Tenure			T		
Nielsen, Mary	FR: Level III TO: No Change	Coll of Tech - Health Professions	42,694	42,694				0.00%	1	7/1/07	T - Tenure			T		
Roberts, Kevan	FR: Assoc Prof TO: No Change	Biomed and Pharm Scis - Immunology	57,049	57,049				0.00%	1	7/1/07	T - Tenure			T		
Sommers-Flanagan, John	FR: Assoc Prof TO: No Change	Educ Leadership & Counseling	53,557	53,557				0.00%	1	7/1/07	T - Tenure			T		
Stolle, Darrell	FR: Assoc Prof TO: No Change	Curriculum and Instruction	51,130	51,130				0.00%	0.8	7/1/07	T - Tenure			T		
			93,109	93,109				0.00%	0.2							
Stone, Emily	FR: Assoc Prof TO: No Change	Mathematical Sciences	62,431	62,431				0.00%	1	7/1/07	T - Tenure			T		
Swaney, Gyda	FR: Asst Professor TO: Assoc Prof	Psychology	53,926	53,926				0.00%	1	7/1/07	P - Promotion T - Tenure			T		
Thibeau, Tully	FR: Asst Prof TO: Assoc Prof	Anthropology	46,217	46,217				0.00%	1	7/1/07	P - Promotion T - Tenure			T		
Uhlenbruck, Nikolaus	FR: Assoc Prof TO: No Change	Marketing and Management	94,570	94,570				0.00%	1	7/1/07	T - Tenure			T		
Williams, Sandra	FR: Asst Prof TO: Assoc Prof	Curriculum and Instruction	46,217	46,217				0.00%	1	7/1/07	P - Promotion T - Tenure			T		

LEGEND	LEGEND
TENURE:	*IMPORTANT NOTE: Additional Comp is reported annually in September
NT = Nontenurable	^ Subject to continuation of federal funds, proprietary funds and/or grants.
P = Probationary	
T = Tenured	
SALARY ADJUSTMENTS:	
P = Promotion	
L = Lump Sum Bonus	
M = Merit	
R = Retention	
N = Normal	
O = Other/Specify	
EXTRA COMPENSATION:	
T = Teaching	
R = Research	
G = Grant Administration	
O = Other (provide brief explanation)	

ITEM 136-1001-R0907

Authorization to Confer the Title of Professor Emeritus of Education upon L. Dean Sorenson; The University of Montana-Missoula

THAT:

Upon the occasion of the retirement of Professor L. Dean Sorenson from the faculty of The University of Montana, the faculty wishes to express its deep appreciation for his years of dedicated and valued service to the University, the School of Education, and the State of Montana by recommending the rank of Professor Emeritus be conferred upon him by the Board of Regents of the Montana University System.

EXPLANATION:

Professor L. Dean Sorenson received his master's degree in Counseling and Guidance from Seattle University in 1975, and he earned his doctorate in Educational Administration from Washington State University in 1984. His extensive work in K-12 education included serving as a teacher, counselor, principal, and superintendent in public schools in Washington. Thus he brought great expertise to his role as a faculty member in Educational Leadership at Washington State University, the University of Wyoming, and The University of Montana.

Following his experience in the public schools, Dr. L. Dean Sorenson served for four years as an assistant and associate professor and program coordinator at the University of Wyoming. He then came to The University of Montana in 1997, and over the next ten years advanced to the rank of Professor and Department Chairman. In his years at The University of Montana, Dr. Sorenson was a prolific writer, contributing to a variety of text books and scholarly journals as well as developing six new graduate courses for campus and online presentation. He directed the University's first full graduate degree available online, winning recognition from *US News and World Reports*. Dr. Sorenson's ten years of academic and leadership contributions were significant to the success of the School of Education's Department of Educational Leadership. Moreover, his service in a multitude of School and University-wide roles brought honor to the campus. Perhaps most importantly, his teaching was consistently of the highest caliber. Former doctoral students continue to express profound gratitude for his mentoring.

With this recommendation go sincere thanks for 10 years of invaluable service to the State of Montana and The University of Montana-Missoula. Congratulations and best wishes for the future.

ITEM 136-1002-R0907

**Authorization to Confer the Title of Professor Emeritus
of Education and Home Economics upon Audrey Peterson;
The University of Montana-Missoula**

THAT:

Upon the occasion of the retirement of Professor Audrey Peterson from the faculty of The University of Montana, the faculty wishes to express its appreciation for her years of dedicated and valued service to the University, the School of Education, and the State of Montana by recommending that the rank of Professor Emeritus be conferred upon her by the Board of Regents of the Montana University System.

EXPLANATION:

In 1967, Professor Peterson earned her undergraduate degree from The University of Montana-Missoula with high honors in Home Economics. Recognized as the Outstanding Senior Woman that year, she received the National Pillsbury Award, including a full scholarship to the graduate school of her choice. She earned the Master of Science in Family Economics and Management from Pennsylvania State University in 1970.

Professor Peterson began her service to the University of Montana in 1970 as an Instructor in the Home Economics Department. She was promoted to Assistant Professor in 1973, Associate Professor in 1980, and Professor in 1986. She served as chair of the Home Economics Department from 1986 to 1989. She was transferred to the Curriculum & Instruction Department in 1989 where she continued to work in the areas of family economics and consumer ethics. She served as chair of Curriculum & Instruction from 1992 to 1997 and as the university's Director of Academic Advising in the Office of Academic Affairs from 1997 to 1998. Since 1990, she has also served as Coordinator of the National Council for the Accreditation of Teacher Education for the School of Education. During the last year of her service to UM, she once again served as the chair of the Curriculum & Instruction Department.

Professor Peterson's research and publication have complimented her teaching assignments in personal and family economics, consumer ethics, and professional ethics of teachers. Her command of subject matter and her attention to student needs, especially as an advisor are exemplary. Her service over 37 years has included leadership roles on almost every committee in the two departments in which she served, in the School of Education, and, the university. Her record of service activities is matched by few, if any, faculty members campus-wide. She has ably and consistently served the Faculty Senate and its many committees, including: the Academic Standards and Curriculum Review; the Graduation Appeals, and

Unit Standards Committees; the Curriculum & Instruction Department including the Curriculum, Admissions, Scholarships, and Faculty Evaluation Committees; and her professional associations, including her membership on the Board of Directors of the American Council on Consumer Interests, and her term as president of the Western Regional Home Management Family Economics Educators. In recognition of her accomplishments, Professor Peterson has been the recipient of the Outstanding Faculty Advising Award and the Montana Faculty Service Award. Over almost four decades, Professor Peterson has skillfully taught thousands of students and served as a trusted colleague of hundreds of faculty members.

With this recommendation go sincere thanks for 37 years of invaluable service to the State of Montana and The University of Montana-Missoula. Congratulations and best wishes for the future.

ITEM 136-1003-R0907

Authorization to Confer the Title of Professor Emeritus of Education and Home Economics upon Marlene Bachmann; The University of Montana-Missoula

THAT:

Upon the occasion of the retirement of Professor Marlene Bachmann from the faculty of The University of Montana, the faculty wishes to express its appreciation for her years of dedicated and valued service to the University, the School of Education, and the State of Montana by recommending that the rank of Professor Emeritus be conferred upon her by the Board of Regents of the Montana University System.

EXPLANATION:

Professor Bachmann received a Master of Science in Vocational Education from The University of Nebraska in 1967. The University of Montana hired her as an Instructor, Department of Home Economics, in 1972. She was promoted to Assistant Professor in 1975, Associate Professor in 1981, and Full Professor, Department of Curriculum and Instruction, in 1993. Professor Bachmann has served the School of Education as Director of Field Experiences since 1989.

Professor Bachmann is dedicated, conscientious, diligent, and ever present for our students, faculty, staff, and the community. As professor, scholar, leader, and mentor in the Department of Curriculum and Instruction, she has advised undergraduate and graduate students, as well as collaborated with administrators and in-service teachers at the state, national, and international levels. She exhibits an excellent teaching record in Field Experiences and Clinical Supervision of Pre-service Teachers. She has published articles and conducted presentations in field experience standards, international student teaching, assessment, and supervision; she has collaborated with international, national, regional, and state organizations in teacher education. Her professional service accomplishments include chairing the Special Interest Group (SIG) of the Association of Teacher Educators, chairing the SIG Association of Teacher Educators University and College Section, and serving as an Executive Board Member of the Northwest Teacher Education Association. Professor Bachmann's honors include Faculty Merit Awards, The University of Montana Charter Day Award for Distinguished Faculty Service, The University of Montana Tom Boone Town and Gown Award for Developing Positive University Community Relations, and Distinguished Faculty Service Award.

With this recommendation go sincere thanks for 35 years of invaluable service to the State of Montana and The University of Montana-Missoula. Congratulations and best wishes for the future.

ITEM 136-1004-R0907

Authorization to Confer the Title of Professor Emeritus of Forest Biometry Upon Hans Zuuring; The University of Montana-Missoula

THAT:

Upon the occasion of the retirement of Professor Hans Zuuring from the faculty of The University of Montana, the faculty wishes to express its appreciation for his years of dedicated service to the College of Forestry and Conservation, the Forest Management Department, and the State of Montana by recommending that the rank of Professor Emeritus be conferred upon him by the Board of Regents of the Montana University System.

EXPLANATION:

Following his retirement on June 30, 2007, the faculty of the Forest Management Department unanimously requested emeritus status for Professor Zuuring. During his tenure he served as a Research Associate, Associate and Full Professor, Station Biometrician for Montana Forest & Conservation Experiment Station (1979 to present), Director of the Geographic Information Systems Lab (1987-1995), Director of the Quantitative Services Group (1995 to present), Chairman of the Forest Management Department (2003-2007), and Champion Professor (endowed professor).

Professor Zuuring came to The University of Montana in 1974 after serving as an instructor at Iowa State University and as a Research Officer with the Canadian Federal Forestry Service, Biometrics Branch.

Since joining the UM faculty, Professor Zuuring has been an outstanding teacher, research scientist, and service provider in the area of forest biometry. He taught both graduate and undergraduate courses, mentored graduate students, led a very active research program, and served on many committees and/or task forces. He has produced many publications and presentations during his time at UM in addition to participation and/or coordination of workshops. For the last fifteen years he has been instrumental and active with various individuals and institutions including the USDA Forest Service, Montana DNRC and the College leading a cooperative research project involving the development of MAGIS: A Multi-resource Analysis and Geographic Information System. This modeling system permits the planning of complex and often conflicting site-specific resource management activities. Numerous documents have been written about the design of the software which uses and utilizes more than 285 databases. Professor Zuuring has also conducted numerous short courses about MAGIS.

There is little doubt that Professor Zuuring has been a significant contributor and inspiration within the College of Forestry and Conservation. Our students were well served as were our faculty and external relationships. He successfully fulfilled his roles and for this we commend him. We congratulate him upon his retirement and wish him the very best for his future.

ITEM 136-1005-R0907

Authorization to Confer the Title of Professor Emeritus of Wildland Recreation Management Upon Stephen F. McCool; The University of Montana-Missoula

THAT:

Upon the occasion of the retirement of Professor Stephen F. McCool from the faculty of The University of Montana, the faculty wishes to express its appreciation for his years of dedicated service to the College of Forestry and Conservation, the Department of Society and Conservation, and the State of Montana by recommending that the rank of Professor Emeritus be conferred upon him by the Board of Regents of the Montana University System.

EXPLANATION:

Upon his retirement on March 31, 2007, the faculty of the Department of Society and Conservation has unanimously requested emeritus status for Professor McCool. During his tenure he served as an Assistant, Associate and Full Professor in addition to Director of the Institute for Tourism and Recreation Research for six years, Coordinator of the Recreation Management undergraduate program for three years, and as Associate Dean for one semester.

Professor McCool came to The University of Montana in 1977 after serving three years as an Assistant Professor at the University of Wisconsin – River Falls and four years as Assistant Professor at Utah State University. Since joining the UM faculty, Professor McCool has been a superb teacher, research scientist, and provider of service in the area of wildland recreation management. He taught both graduate and undergraduate courses, mentored graduate students, lead a very active research program, and served on many university, local, regional, and international task forces and/or committees. He has published numerous papers and books during his time at UM in addition to participation in workshops.

In 2005, Professor McCool received the Excellence in Wilderness Stewardship Research Award from the U.S. Forest Service. This award is given to an outstanding scientist who works closely with wilderness managers to apply research to real-world situations. His research has included planning processes that are now being used in many areas within the National Wilderness Preservation System. In addition, McCool received an added bonus when his peers presented him with an award from the Wild Foundation and the International Journal of Wilderness for a lifetime of achievement in wilderness planning and research.

There is little doubt that Professor McCool has been a significant influence and contributor within the College of Forestry and Conservation. Our students were well served as were our faculty and external relationships. He successfully fulfilled his roles and for this we commend him. We congratulate him upon his retirement and wish him the very best for his future.

ITEM 136-1500-R0907; Staff; Montana Tech of The University of Montana **September 19 - 21, 2007**

NAME (Last, First)	Title/Rank	Dept.	SALARY BASE (Based on 1.0 FTE, FY unless noted)		Stipend		(N)ew or (R)eplacement & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	Special Conditions	Tenure (Change Only)
			From:	To:	From:	To:							
I. NEW HIRES													
A. Administrators													
None													
II. CHANGES													
A. Administrators/Coaches													
Abbott, Douglas Ed.D.	FR: Vice Chancellor, Acad Affairs & Research; Univ Assoc Provost; Prof TO: No change	Admin; Bus & Info Tech	106,000	109,800				3.6%	1.0	10/1/07	N/M		C (Prof)
Depell, Kerie BA	FR: Head Coach, Women's Basketball; Instructor TO: No change	Athletics	35,500	36,765				3.6%	1.0	10/1/07	N/M		N
Green, Robert MA	FR: Instructor; Head Football Coach TO: No change	HPER	65,769	68,142				3.6%	1.0	10/1/07	N/M		N
Johnson, Mike MBA	FR: Vice Chancellor, Institutional Advancement & Development; President, Montana Tech Foundation; Ass't Prof TO: No change	Admin; Bus & Info Tech	88,400	91,600				3.6%	1.0	10/1/07	N/M		P (Ass't Prof)
Larson, Nathan MBA	FR: Instructor; Head Men's Basketball Coach TO: No change	HPER	36,400	37,717				3.6%	1.0	10/1/07	N/M		N
Peterson, Margaret J. BS	FR: Vice Chancellor, Administration and Finance TO: No change	Admin	79,000	81,850				3.6%	1.0	10/1/07	N/M		N
Schleeman, Douglas MS	TO: Instructor; Assistant Football Coach; Offensive Coordinator FR: No change	HPER	36,111	37,419	4,500	4,500		3.6%	1.0	10/1/07	N/M		N

Tobin, Marilyn MS	FR: Instructor; Head Women's Volleyball Coach; Asst Athletic Dir TO: No change	HPER	45,748	47,395					3.6%	1.0	10/1/07	N/M		N
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B. Faculty

None														
		TOTALS	492,928	510,688					3.6%					

III. ONE TIME BONUS ONLY

A. Administrators

NAME (Last, First)	TITLE/RANK	Dept.	SALARY (Based on .33FTE) (AY unless noted)	TERM OF HIRE										
None														

IV. END OF EMPLOYMENT/LEAVES (Report only non-renewals per 711.1 and Leaves of Absence)

NAME (First, Last)	Title/Rank	Dept.	Effective Date	REASON (If Leave of Absence)										
A. Administrators														
None														

LEGEND

TENURE:	NT = Nontenurable	*IMPORTANT NOTE: Additional Comp is reported annually in September
	P = Probationary	
	T = Tenured	
SALARY ADJUSTMENTS:	P = Promotion	^ Subject to continuation of federal funds, proprietary funds and/or grants.
	L = Lump Sum Bonus	
	M = Merit	
	R = Retention	
	N = Normal	
	O = Other/Specify	
EXTRA COMPENSATION:	T = Teaching	
	R = Research	
	G = Grant Administration	
	O = Other (provide brief explanation)	

ITEM 136-1600-R0907, Staff; The University of Montana - Western

September 19-21, 2007

NAME (Last, First)	Title/Rank	Dept.	SALARY BASE (Based on 1.0 FTE, FY unless noted)		Stipend		(N)ew or (R)eplacement & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	Special Conditions	Tenure (Change Only)
			From:	To:	From:	To:							
I. CHANGES													
A. Administrators/Professionals													
Briggs, Susan D.	VC for Adm & Fin; Univ Assoc VP TO: VC for Adm & Fin; Univ Assoc VP; Interim Vice Chance/ Student Affairs	Admin & Finance Student Affairs	81,347	84,275	0	4800		3.60%	1	10/1/2007 7/1/07 to 6/30/09	N-Normal Added Duties		
Ulrich, Karl E.	Provst & VC for Acad Aff; Univ Assoc Prov; Prof of Bio Sci TO: No change	Academic Affairs	94,723	98,133				3.60%	1	10/1/07	N-Normal		
B. Coaches													
Else, Iola V.	Rodeo Coach; Instr of ED TO: No change	Athletics/ED	55,787	57,795				3.60%	.50 .50 AY	10/1/07	N-Normal		
Engellant, Kevin	Women's Head & JV Basketball; Dir of Microcomp Cntr; Instr of Com Sci TO: No change	Athletics/Computer Science	40,993	42,468	3,500 JV BB	3,500 JV BB		3.60%	.50 .50 AY	10/1/07	N-Normal		
Howells, Katie	Women's Head Volleyball Coach	Athletics	37,000	38,332				3.60%	0.48 AY	10/1/07	N-Normal		
Keller, Steve	Men's Head Basketball Coach	Athletics	37,500	37,500				0.00%	0.5 AY				
Lee, Thomas F.	Head Football Coach TO: No change	Athletics	67,706	70,143				3.60%	1	10/1/07	N-Normal		
TOTALS			415,056	428,646				3.27%					

LEGEND	
TENURE:	*IMPORTANT NOTE: Additional Comp is reported annually in September
NT = Nontenurable	
P = Probationary	
T = Tenured	
SALARY ADJUSTMENTS:	<u>^ Subject to continuation of federal funds, proprietary funds and/or grants.</u>
P = Promotion	
L = Lump Sum Bonus	
M = Merit	
R = Retention	
N = Normal	
O = Other/Specify	
EXTRA COMPENSATION:	
T = Teaching	
R = Research	
G = Grant Administration	
O = Other (provide brief explanation)	

NAME (Last, First)	Title/Rank	Dept.	SALARY BASE (Based on 1.0 FTE, FY unless noted)		Stipend		(N)ew or (R)eplace & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	Special Condition s	Tenure (Change Only)
			From:	To:	From:	To:							
I. NEW HIRES													
A. Administrators/Professionals/Coaches													
Ash, Robert W	Head Football Coach	Athletics		130,000			06/11/07 (R-Kramer)		1.0				
I. CHANGES													
A. Administrators/Professionals/Coaches													
Gamble, Geoffrey	FR: President TO: No change	President	191,047	197,925				3.60%		10/1/07			
Dooley, David	FR: Provost TO: No change	Provost	148,469	154,923				4.35%		10/1/07			
Fedock, Joe	FR: Senior Vice Provost Academic TO: No change	Provost	129,500	133,200				2.86%		10/1/07			
Steele, Doug	FR: Vice Prov & Dir. of Extension TO: No change	Extension	129,688	134,288				3.55%		10/1/07			
Young, Greg	FR: Vice Provost for Undergraduate Education TO: No change	Provost	106,088	109,193				2.93%		10/1/07			
Fox, Carl	FR: Vice Provost for Graduate Education TO: No change	Provost	125,000	128,000				2.40%		10/1/07			
Hyman, Linda	FR: Vice Prov for Health Science/WWAMI TO: No change	Provost	129,500	133,100				2.78%		10/1/07			
Peterson, Norm	FR: Vice Prov for Int. Ed. TO: No change	Office of Int. Programs	99,000	101,000				2.02%		10/1/07			
Roloff, Craig	FR: VP Admin & Finance TO: No change	Administraton & Finance	138,716	142,878				3.00%		10/1/07			
McCoy, Thomas	FR: VP Res, Creativity & Tech Transfer TO: No change	Research	140,950	145,179				3.00%		10/1/07			
Yarnell, Allen	FR: V Student Affairs TO: No change	Student Affairs	125,573	129,340				3.00%		10/1/07			
Groseth, Rolf	FR: VP Inter-Campus Affairs TO: No change	President	100,364	104,378				4.00%		10/1/07			
Taylor, Leslie	FR: Legal Counsel TO: No change	President	106,124	110,306				3.94%		10/1/07			
Merrell, Pamela	FR: Associate Legal Counsel TO: No change	President	60,000	63,798				6.33%		10/1/07			
TOTALS			1,730,019	1,787,508				3.32%					

LEGEND

TENURE:

NT = Nontenurable

*IMPORTANT NOTE: Additional Comp is reported annually in September

	P = Probationary
	T = Tenured
SALARY ADJUSTMENTS:	
	P = Promotion
	L = Lump Sum Bonus
	M = Merit
	R = Retention
	N = Normal
	O = Other/Specify
EXTRA COMPENSATION:	
	T = Teaching
	R = Research
	G = Grant Administration
	O = Other (provide brief explanation)

^ Subject to continuation of federal funds, proprietary funds and/or grants.

ITEM 136-2700-R0907, Staff; MSU-Billings											September 19-21, 2007				
NAME (Last, First)	Title/Rank	Dept.	BASE (Based on 1.0 FTE, FY unless noted)		Stipend		(N)ew or (R)eplacement & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	SPECIAL CONDITIONS	Tenure (Change Only)	Comp Prior FY/AY* Amount	Reason (Sept. Mtg ONLY)
			From:	To:	From:	To:									
I. CHANGES: COACHES															
BROWN, Chris	Head Coach Men's Baseball	Athletics	34,965	34,965				0.0%	1.0	7/1/07	Moved to MSUB/MUS Coaching Contract				
CARSE, Craig	Head Coach Men's Basketball	Athletics	98,279	98,279				0.0%	1.0	7/1/07	Moved to MSUB/MUS Coaching Contract				
MCNALLY, Dan	Head Coach Men's Soccer	Athletics	35,108	35,108				0.0%	1.0	7/1/07	Moved to MSUB/MUS Coaching Contract				
SCHAUB, Sara	Head Coach Women's Volleyball	Athletics	36,000	36,000				0.0%	1.0	7/1/07	Moved to MSUB/MUS Coaching Contract				
TRENTHAM, Don	Head Coach Women's Soccer	Athletics	41,556	41,556				0.0%	1.0	7/1/07	Moved to MSUB/MUS Coaching Contract				
WOODIN, Kevin	Head Coach Women's Basketball	Athletics	68,880	68,880				0.0%	1.0	7/1/07	Moved to MSUB/MUS Coaching Contract				
I. CHANGES: ADMINISTRATORS															
IVERSON, Terrie	Vice Chancellor	Admin	108,450	111,704				3.0%	1.0	10/1/07	N				
KLIPPENSTEIN, Stacy	Vice Chancellor	Student Affairs	105,000	108,150				3.0%	1.0	10/1/07	N				
SEXTON, Ronald	Chancellor	Chancellor	144,000	149,184				3.6%	1.0	10/1/07	N				
WHITE, George	Interim Provost & Academic Vice Chancellor	Academic	111,293	114,632				3.0%	1.0	10/1/07	N				
TOTALS AND AVERAGE INCREASE			468,743	483,670				3.18%							
(II) END OF EMPLOYMENT															
(A) ADMINISTRATORS/PROFESSIONALS/COACHES															
Effective Date															
LEMMENS, Kim	Head Coach Women's Softball	Athletics			6/30/07	Termination									
LEGEND															
TENURE:			*IMPORTANT NOTE: Additional Comp is reported annually in September												
NT = Nontenurable			^ Subject to continuation of federal funds, proprietary funds and/or grants.												
P = Probationary															
T = Tenured															
SALARY ADJUSTMENTS:															
P = Promotion															
L = Lump Sum Bonus															
M = Merit															
R = Retention															
N = Normal															
O = Other/Specify															
EXTRA COMPENSATION:															
T = Teaching															
R = Research															
G = Grant Administration															
O = Other (provide brief explanation)															

ITEM 136-2800-R0907, Staff; MSU-Northern												September 19-21, 2007	
NAME (Last, First)	Title/Rank	Dept.	SALARY BASE (Based on 1.0 FTE, FY unless noted)		Stipend		(N)ew or (R)eplacement & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	SPECIAL CONDITIONS	Tenure (Change Only)
			From:	To:	From:	To:							
I. CHANGES													
A. Administrators													
Callahan, Joseph Ed.D.	Interim Provost/Vice Chancellor for Academic Affairs	Provost	107,500	111,370				3.60%	1	10/1/2007			NT
Capdeville, Alex, Ph.D.	Chancellor	Chancellor	128,500	133,126				3.60%	1	10/1/2007			NT
Jensen, Charles V., MBA, CPA	Vice Chancellor for Finance/Administration/Student Affairs	Finance/Student Affrs	101,206	104,849				3.60%	1	10/1/2007			NT
B. Coaches													
Huse, Shawn MA	Head Men's Basketball Coach	Athletics/Educ	41,422	42,913				3.60%	1	10/1/07			NT
Mouat, Christopher BA	Head Women's Basketball Coach	Athletics/Educ	39,520	40,943				3.60%	1	10/1/07			NT
Ryan, Gregory M.	Head Women's Volleyball Coach/Instructor Phys Educ	Athletics/Educ	40,000	41,440				3.60%	1	10/1/07			NT
Samson, Mark B.A.	Head Football Coach/Athletic Director	Athletics	60,000	62,160		20000 12 mo		3.60%	1	10/1/07	Athletic Dir		NT
Troupe, Daniel M. BA	Head Wrestling Coach	Athletics	41,600	43,098				3.60%	1	10/1/07			NT
TOTALS			559,748	579,899				3.60%					
LEGEND													
TENURE:			*IMPORTANT NOTE: Additional Comp is reported annually in September										
NT = Nontenurable			^ Subject to continuation of federal funds, proprietary funds and/or grants.										
P = Probationary													
T = Tenured													
SALARY ADJUSTMENTS:													
P = Promotion													
L = Lump Sum Bonus													
M = Merit													
R = Retention													
N = Normal													
O = Other/Specify													
EXTRA COMPENSATION:													
T = Teaching													
R = Research													
G = Grant Administration													
O = Other (provide brief explanation)													

ITEM 136-2850-R0907 Staff; Montana State University-Great Falls **September 19-21, 2007**

NAME (Last, First)	Title/Rank	Dept.	SALARY BASE (Based on 1.0 FTE, FY unless noted)		Stipend		New or Replacement & Date/Hire	% Change	Actual FTE	Effective (Indicate end date if temp)	Reason	Special Conditions	Tenure (Change Only)
			From:	To:	From:	To:							

I. CHANGES

A. Administrators/Professionals/Coaches

Moe, Mary	Dean/CEO	Dean's Office	110,000	113,960				3.60%		10/1/07	N		
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TOTALS AND AVERAGE INCREASE			110,000	113,960				3.60%					
------------------------------------	--	--	----------------	----------------	--	--	--	--------------	--	--	--	--	--

LEGEND

TENURE:

- NT = Nontenurable
- P = Probationary
- T = Tenured

*IMPORTANT NOTE: Additional Comp is reported annually in September

^ Subject to continuation of federal funds, proprietary funds and/or grants.

SALARY ADJUSTMENTS:

- P = Promotion
- L = Lump Sum Bonus
- M = Merit
- R = Retention
- N = Normal
- O = Other/Specify

EXTRA COMPENSATION:

- T = Teaching
- R = Research
- G = Grant Administration
- O = Other (provide brief explanation)

September 19-21, 2007

ITEM 136-108-R0907

Approval of Labor Agreement between the Montana University System and the Montana Public Employees Association at Missoula, Dillon, Butte, Bozeman, Billings, Great Falls, and Helena.

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the Montana Public Employees Association covering classified employees at campuses in Missoula, Dillon, Butte, Bozeman, Billings, Great Falls, and Helena.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: ITEM 136-108-R0907

I recommend approval of the following labor agreement. The agreement covers approximately 1,600 classified staff on seven campuses.

Agreement

- Wages and Insurance

Effective July 2007, the 10-year longevity increment shall increase from 1.5% of base salary to a new rate of 2% of base salary, consistent with the state employee compensation statute.

Effective October 1, 2007, members of the bargaining unit hired on or before September 30, 2007, shall receive a base wage increase of 3.6%.

Effective October 1, 2008, members of the bargaining unit hired on or before September 30, 2008, shall receive a base wage increase of 3.6%.

For insurance-eligible employees, an increase in the employer's premium contribution from the current rate of \$557 per month to a new rate of \$590 in July 2007 and from \$590 to \$626 in July 2008.

- Pre-budget Negotiations

Labor and management shall begin pre-budget bargaining over economics for the next biennium no later than February 1, 2008.

- Memorandum of Understanding

The parties shall enter into a memorandum of understanding agreeing to the following:

Labor and Management shall form a 16-member statewide labor-management committee consisting of: an MPEA chapter representative from each campus that is a party to this agreement (7 members); an MPEA staff representative (1 member); a human resources representative from each

campus (7 members), and; the university system director of labor relations (1 member).

The parties agree that an appropriate subject for the labor management committee shall be a review of the Montana University System Staff Compensation Plan pay rules, pay disparities and market data. The parties agree the labor-management committee will not negotiate the pay rules or pay ranges of the MUS Staff Compensation Plan because the labor management committee is not a substitute for collective bargaining sessions or the administrative functions expressed in the pay rules. The committee, however, may attempt to reach agreements on issues or concepts to be addressed in future collective bargaining sessions.

September 19-21, 2007

ITEM 136-109-R0907

Approval of Labor Agreement between the Montana University System and the Graphic Communication International Union Local 242-C at UM-Missoula

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the Graphic Communication International Union Local 242-C, covering printing and graphics employees at the University of Montana.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-109-R0907

I recommend approval of the following labor agreement. The agreement covers certain print shop employees at the University of Montana.

Agreement

- **Wages and Insurance**

Effective July 2007, the 10-year longevity increment shall increase from 1.5% of base salary to a new rate of 2% of base salary, consistent with the state employee compensation statute.

Effective October 1, 2007, members of the bargaining unit hired on or before September 30, 2007, shall receive a base wage increase of 3.6%.

Effective October 1, 2008, members of the bargaining unit hired on or before September 30, 2008, shall receive a base wage increase of 3.6%.

For insurance-eligible employees, an increase in the employer's premium contribution from the current rate of \$557 per month to a new rate of \$590 in July 2007; and from \$590 to \$626 in July 2008.

September 19-21, 2007

ITEM 136-110-R0907

Approval of Labor Agreement between the Montana University System and the Plumbers and Pipefitters Union at Billings, Bozeman, and Missoula

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the Plumbers and Pipefitters Union, covering certain employees in Billings, Bozeman, and Missoula.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-110-R0907

I recommend approval of the following labor agreement. The agreement covers certain employees represented by the Plumbers and Pipefitters Union in Billings, Bozeman, and Missoula.

Agreement

- Addendum A
Work Day / Work Week
Add the following new sentence: "A 4-10 work week (four ten-hour days) may be worked by mutual agreement. If a 4-10 work week is implemented, it will be worked as four consecutive days excluding Saturday and Sunday."
- Wages
Employees shall receive a base wage increase of 3.6% on October 1, 2007. Employees shall receive a base wage increase of 3.6% on October 1, 2008. If any other bargaining unit receives a general pay raise of greater than 3.6% in either year of the contract, the employer agrees to re-open the Plumbers and Pipefitters contract to negotiate wages.
- Article IX D. Rest Periods
Add the following new sentence: "Employees required to work beyond their regularly scheduled shift shall receive a 15-minute paid rest break every two hours."

September 19-21, 2007

ITEM 136-111-R0907

Approval of Labor Agreement between the Montana University System and the Pacific Northwest Regional Council of Carpenters at Missoula, Butte, Bozeman, and Billings

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the Pacific Northwest Regional Council of Carpenters, covering certain employees in Missoula, Butte, Bozeman, and Billings.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-111-R0907

I recommend approval of the following labor agreement. The agreement covers carpenters in Missoula, Bozeman, Butte, and Billings.

Agreement

- **Wages and Insurance**

Effective July 2007, the 10-year longevity increment shall increase from 1.5% of base salary to a new rate of 2% of base salary, consistent with the state employee compensation statute.

Effective October 1, 2007, members of the bargaining unit hired on or before September 30, 2007, shall receive a base wage increase of 3.6%.

Effective October 1, 2008, members of the bargaining unit hired on or before September 30, 2008, shall receive a base wage increase of 3.6%.

For insurance-eligible employees, an increase in the employer's premium contribution from the current rate of \$557 per month to a new rate of \$590 in July 2007; and from \$590 to \$626 in July 2008.

- **Pension**

Add the **bold underlined** language to the existing memo.)

The Montana University system and the Pacific Northwest Regional council of Carpenters hereby agree that for temporary journey level carpenter employees hired at any campus of the Montana University system, in addition to the terms and conditions outlined in the Collective Bargaining Agreement, the following terms shall apply.

Employees shall have the option of a fixed-term appointment with Montana University system benefits, or an arrangement as follows:

1. The wage rates shall be the wage rates established in the current agreement.
2. As an Employer contribution, the appropriate campus shall remit to the Montana-Wyoming Carpenters health and Welfare Trust \$4.39 per hour for each compensated hour for each employee covered by this memorandum.

3. As an Employer contribution, the appropriate campus shall remit to the Washington-Idaho-Montana Carpenters Employers Retirement Trust, \$2.00 per hour for each compensated hour for each employee covered by this memorandum.

4. In accordance with 2-18-115 MCA, the employer contribution to the alternative benefits package may not exceed the cost of the benefits that the employee would otherwise be entitled to through employment.

September 19-21, 2007

ITEM 136-112-R0907

Approval of Labor Agreement between the Montana University System and the Montana District Council of Laborers

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the Montana District Council of Laborers.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-112-R0907

I recommend approval of the following labor agreement. The agreement covers certain employees represented by the Laborers in Missoula, Bozeman, and Billings.

Agreement

- **Wages and Insurance**

UM-Missoula

Employees in Missoula shall receive a 3.6% wage increase effective October 2007; and a 3.6% wage increase effective October 2008. The employer's health insurance contribution shall increase by \$33 effective July 2007; and by \$36 effective July 2008.

MSU-Billings

Employees in Billings shall receive a 3.6% wage increase effective October 2007; and a 3.6% wage increase effective October 2008. The employer's health insurance contribution shall increase by \$33 effective July 2007; and by \$36 effective July 2008.

MSU-Bozeman

Custodial employees in Bozeman shall receive a 3.0% wage increase effective October 2007; and a 3.0% wage increase effective October 2008. In October 2007, an amount equivalent to 0.6% of the payroll of custodial employees shall be applied in equal portions to the base wages of custodial employees whose base rate is over \$11.13 per hour. In October 2008, an amount equivalent to 0.6% of the payroll of custodial employees shall be applied in equal portions to the base wages of custodial employees whose base rate is over \$11.46 per hour.

Grounds and maintenance employees in Bozeman shall receive a 3.6% wage increase effective October 2007; and a 3.6% wage increase effective October 2008. The employer's health insurance contribution shall increase by \$33 effective July 2007; and by \$36 effective July 2008.

- **Contract "housekeeping"**

Correct two editing errors from the 2005-07 agreement: 1.) restore the timeline window period at Step 1 of the grievance procedure per 2003-05 contract language; 2.) in the Missoula addendum, restore the scheduling language from the 2003-05 contract.

September 19-21, 2007

ITEM 136-113-R0907

Approval of Labor Agreement between the Montana University System and the International Brotherhood of Electrical Workers

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the International Brotherhood of Electrical Workers.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-113-R0907

I recommend approval of the following labor agreement. The agreement covers certain employees represented by the International Brotherhood of Electrical Workers in Missoula, Bozeman, and Billings.

Agreement

- **Wages and Insurance**

Members of the bargaining unit shall receive a wage increase of 3.6% in October 2007; and an increase of 3.6% in October 2008. The employer's contribution toward employee health insurance shall increase by \$33 (monthly) in July 2007 and by \$36 (monthly) in July 2008. If any other bargaining unit of the Montana University System settles for general pay raises of larger than 3.6% in either year of the term of this agreement, the Employer agrees to negotiate similarly with the IBEW over the subject of wages.

- **Protective eyewear**

The employer will coordinate a study of practices and procedures for assisting employees with initial purchase and replacement of prescription safety glasses.

September 19-21, 2007

ITEM 136-114-R0907

Approval of Labor Agreement between the Montana University System and the Montana Maintenance Painters Union at Missoula, Butte, Bozeman, and Billings

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the Montana Maintenance Painters Union, covering employees in Missoula, Butte, Bozeman, and Billings.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-114-R0907

I recommend approval of the following labor agreement. The agreement covers certain employees represented by the Montana Maintenance Painters Union in Missoula, Butte, Bozeman, and Billings.

Agreement

The undersigned parties hereby agree to extend the 2001-2003 Collective Bargaining Agreement and subsequent February 2004 Memorandum of Understanding until June 30, 2009, with the following modifications:

1. Section 14.1 CONTRACT TERM
Change to read: “this contract shall be in full force and effect from July 1, 2007, to and including June 30, 2009, and shall be considered as renewed for a two-year period thereafter unless either party to the agreement notifies the other in writing, in accordance with the following negotiations schedule, of its desire to modify or terminate the agreement.”

2. Section 14.2 NEGOTIATION SCHEDULE
Change to read: “Either party desiring to modify or terminate this agreement must notify the other in writing by March 30, 2007. Changes agreed upon shall be reduced to writing and signed by both parties.”

3. ADDENDUM A. I. WAGE RATES
Change the first sentence to read: “It is understood between the parties to this agreement that wages for employees covered by this agreement shall be as follows:

	<u>October 1, 2007</u>	<u>October 1, 2009</u>
Journeyman Painter	\$18.70	\$19.37
Foreman	\$19.93	\$20.65
Painter Associate	\$13.57	\$14.06

4. DEPENDENT PARTIAL TUITION WAIVER
Retain the 2005-2007 memorandum provision of: “A partial tuition waiver will be available to bargaining unit employees. Such benefit shall be administered in accordance with Regent policy.”

September 19-21, 2007

ITEM 136-115-R0907

Approval of Labor Agreement between the Montana University System and the American Federation of State, County, and Municipal Employees at Montana State University Miles City range lab

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the American Federation of State, County, and Municipal Employees, covering Montana State University employees at the range lab in Miles City.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-115-R0907

I recommend approval of the following labor agreement. The agreement covers certain Montana State University employees at the range lab in Miles City, represented by the American Federation of State, County, and Municipal Employees.

Agreement

- **Wages**

Employees shall receive a 3.6% wage increase in October 2007; and a 3.6% wage increase in October 2008.

September 19-21, 2007

ITEM 136-116-R0907

Approval of Labor Agreement between the Montana University System and the Vocational Technical Educators of Montana, covering faculty at the Colleges of Technology in Great Falls, Billings, and Butte.

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the Vocational Technical Educators of Montana, covering faculty at the Colleges of Technology in Great Falls, Billings, and Butte.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: ITEM 136-116-R0907

I recommend approval of the following labor agreement. The agreement covers faculty members at the Colleges of Technology in Great Falls, Billings, and Butte.

Agreement

Article 10, COMPENSATION,

10.1 SALARIES

Salary Increases

Effective October 1, 2007, all employees hired on or before September 30, 2007, shall receive a base pay raise of 3.0 percent.

Effective October 1, 2008, all employees hired on or before September 30, 2008, shall receive a base pay raise of 3.0 percent.

B. Salary Minimums

Minimum salaries for each level during the term of this agreement are as follows:

	July 1, 2007	October 1, 2007	October 1, 2008
Level I	\$31,800	\$32,754	\$33,737
Level II	\$35,614	\$36,682	\$37,782
Level III	\$40,708	\$41,929	\$43,187
Level IV	\$45,791	\$47,165	\$48,580

APPENDIX C
MEMORANDUM OF UNDERSTANDING
FACULTY WORKLOAD

The instructional workload for full-time faculty shall normally fall within the range of 30 to 32 credits per academic year. The instructional assignment for a full-time faculty member shall normally not exceed 25 hours per week. Where instructional assignments consist of primarily laboratory, clinical, shop, internship or cooperative work experience supervision, the assignment for a full-time faculty member shall not exceed 30 hours per week. Faculty teaching more than thirty-two (32) credits or the hours defined above shall be eligible for overload compensation or a reduction in non-instructional assignments at the discretion of the campus administration.

Bargaining unit faculty who teach at least 15 credits in a semester shall not receive a pro-rated salary during that semester.

The parties understand that this workload provision does not affect Article 2 (Recognition) or the definition of bargaining unit membership.

The parties understand that management has an obligation to manage workloads down to the range of 30 to 32 credits, and a right to manage workloads up to a range of 30 to 32 credits.

Faculty members have no entitlement (or right of first refusal) to overload-earning opportunities.

Any faculty member who requests a teaching workload of less than 30 to 32 credits per academic year must submit a justification of how the non-instructional work time would benefit the institution.

September 19-21, 2007

ITEM 136-117-R0907

Approval of Labor Agreement between the Montana University System and the International Union of Operating Engineers at the Montana State University motor pool

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the International Union of Operating Engineers, covering employees at the Montana State University motor pool.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-117-R0907

I recommend approval of the following labor agreement. The agreement covers mechanics and dispatchers/technicians in the Montana State University motor pool.

Agreement

- Annual wage increases of 3.6% in October 2007; and 3.6% in October 2008.
- Pension letter consistent with other IUOE pension letter agreements in state government and the Montana University System.
- The tool room check in / check out duties and dispatching duties are not the exclusive work of the Operating Engineers bargaining unit, therefore, can be assigned to other employees on campus.
- In recognition of the change in duties and scope of work, the union and employer agree to review the job classifications and any corresponding wage issues.

September 19-21, 2007

ITEM 136-118-R0907

Approval of Labor Agreement between the Montana University System and the MSU-Billings Faculty Association

THAT:

The Montana Board of Regents approves the labor agreement between the Montana University System and the MSU-Billings Faculty Association.

EXPLANATION:

See attached "memo and agreement" from Kevin McRae, director of labor relations and human resources.

ATTACHMENTS:

Memo and Agreement

Memo

To: Board of Regents
From: Kevin McRae
Director of Labor Relations and Human Resources
Date: September 4, 2007
Re: Item 136-118-R0907

I recommend approval of the following labor agreement. The agreement covers faculty at the four-year campus of Montana State University – Billings.

Agreement

- A one-year contract providing an across-the-board faculty salary increase of 3% for the 2007-08 Academic Year.
- An amount equivalent to 0.6% of faculty payroll will be reserved for promotion and merit.
- During the 2007-2008 academic year, the Faculty Administration Committee (FACC) will oversee four work groups created to address and make recommendations to the FACC. The four work groups will focus upon:
 1. e-learning/online/distance education
 2. Faculty evaluations; student evaluation of faculty; position descriptions, etc.
 3. Faculty salary matrix (2008-2009) – salary comparison, University Lecturers, Adjunct Faculty, etc. will be addressed. The compensation pool for 2008-2009 is the same 3% + .6% for promotion and merit.
 4. Academic Support Center(s): staffing; curriculum; “workload;” oversight; type of appointments; etc.

The FACC will take their recommendations back to a Collaborative Bargaining table in the Spring, 2008. The 2008-2009 agreement should be in place by July 1, 2008, using the economic parameters set by the Regents.

WORKFORCE, RESEARCH, and ECONOMIC DEVELOPMENT
Montana State University-Billings
Lewis and Clark Room, SUB
September 19, 2007
4:15 – 5:30 PM

4:15 PM Roll Call and Review of Minutes

ACTION

- a. Research Agencies Equipment Funding - Tyler Trevor, OCHE.
[ITEM -136-120-R0907](#) [Recommendations](#)

INFORMATION

- a. [Strategic Directions](#)- Emerging Trends & Issues Related to 2 Year Education — Tyler Trevor, OCHE.
- b. An Historical Perspective on [Two-Year Postsecondary Education](#) in Montana: “Where Do We Go From Here?” — Prepared by Postsecondary Education Policy and Budget Subcommittee — Arlene Parisot, OCHE.
- c. Montana Economic and Workforce [Update](#) — Brad Eldridge, OCHE.

5:20 PM Public Comment

5:30 PM ADJOURN

September 19, 2007

ITEM 136-120-R0907

Research Agencies Equipment Funding

THAT:

The Board of Regents approves the list of research agency proposals recommended by the Commissioner of Higher Education for research equipment funding.

EXPLANATION:

The 2007 Montana Legislature appropriated \$1,000,000 of one-time-only (OTO) funding to address the need for research agencies in the Montana University System to acquire new equipment. The legislation directs the Commissioner's Office to distribute the funds through a competitive process, whereby priority is given to projects that include non-state matching funds.

Following the legislative session, the Commissioner's Office released an RFP eliciting proposals from the five research agencies: Montana Agricultural Experiment Station, MSU Extension Service, MSU Extension – Fire Service Training School, Montana Bureau of Mines and Geology, and Montana Forest and Conservation Experiment Station.

Funding recommendations were produced by the Commissioner of Higher Education.

Research Agencies Equipment Funding, 2007-2009

Recommendations

Recommendations:

- fund 6 of the 9 proposals in their entirety.

- fund MSU Extension Service proposal initially at \$167,450, Any unused funds by other proposals will first be allocated to this proposal up to full funding (an additional \$73,850).

Agency	Title/Description	Request	Proposed Match	Recommended Funding
Montana Agriculture Experiment Station (MAES)	Core Analytical Facility: purchase equipment to support a new core facility shared by MAES faculty to improve collaborative research on modern ag and natural resource management.	\$166,500	\$300,500	\$166,500
Montana Agriculture Experiment Station (MAES)	Animal Health: purchase equipment to support new large animal research facility and research focusing on infectious diseases of livestock and wildlife.	\$233,000	\$3,369,500	\$233,000
Montana Agriculture Experiment Station (MAES)	Field Equipment: purchase field equipment necessary to prepare and plant fields, provide small livestock mixing and delivery systems, and harvest protocols to support research in field plots.	\$376,000	\$385,000	\$0
MSU Extension - Fire Services Training School (FSTS)	Life Safety Training Support: purchase mobile live burn prop system to support training needs of Montana firefighters, particularly in rural communities.	\$180,000	Exact value undetermined due to in-kind contribution of volunteers; \$109,744 estimate	\$180,000
MSU Extension Service	Connecting MSU Extension Research: purchase equipment to establish a high tech communications network to facilitate the exchange of research information between researchers and Montana citizens	\$241,300	\$259,467	\$167,450
Montana Bureau of Mines & Geology	Seismic Monitoring: purchase seismography instrumentation necessary to reoccupy selected EarthScope seismograph station sites	\$140,000	\$210,000	\$140,000
Montana Forest and Conservation Experiment Station (MFCES)	Reference Station: purchase equipment to develop a Continuously Operating Reference Station (CORS) to enhance the ability of researchers to obtain highly accurate ground positions.	\$55,675	\$55,675	\$55,675
Montana Forest and Conservation Experiment Station (MFCES)	Environmental Chambers: purchase four large environmental chambers to support controlled environment experiments and research	\$57,375	\$57,375	\$57,375
Montana Forest and Conservation Experiment Station (MFCES)	Laser Scanner System: purchase of a three-dimensional laser scanner to support forest measurement and inventory research (multiple-use forest assessment system)	\$200,000	\$251,000	\$0

Funding Total**\$1,000,000**



Montana University System

UNIVERSITY OF MONTANA

Missoula
MT Tech
Helena
Western

MONTANA STATE UNIVERSITY

Bozeman
Billings
Great Falls
Northern

COMMUNITY COLLEGES

Dawson
Flathead Valley
Miles

Strategic Directions

Investing in Montana's Competitive Future

www.mus.edu

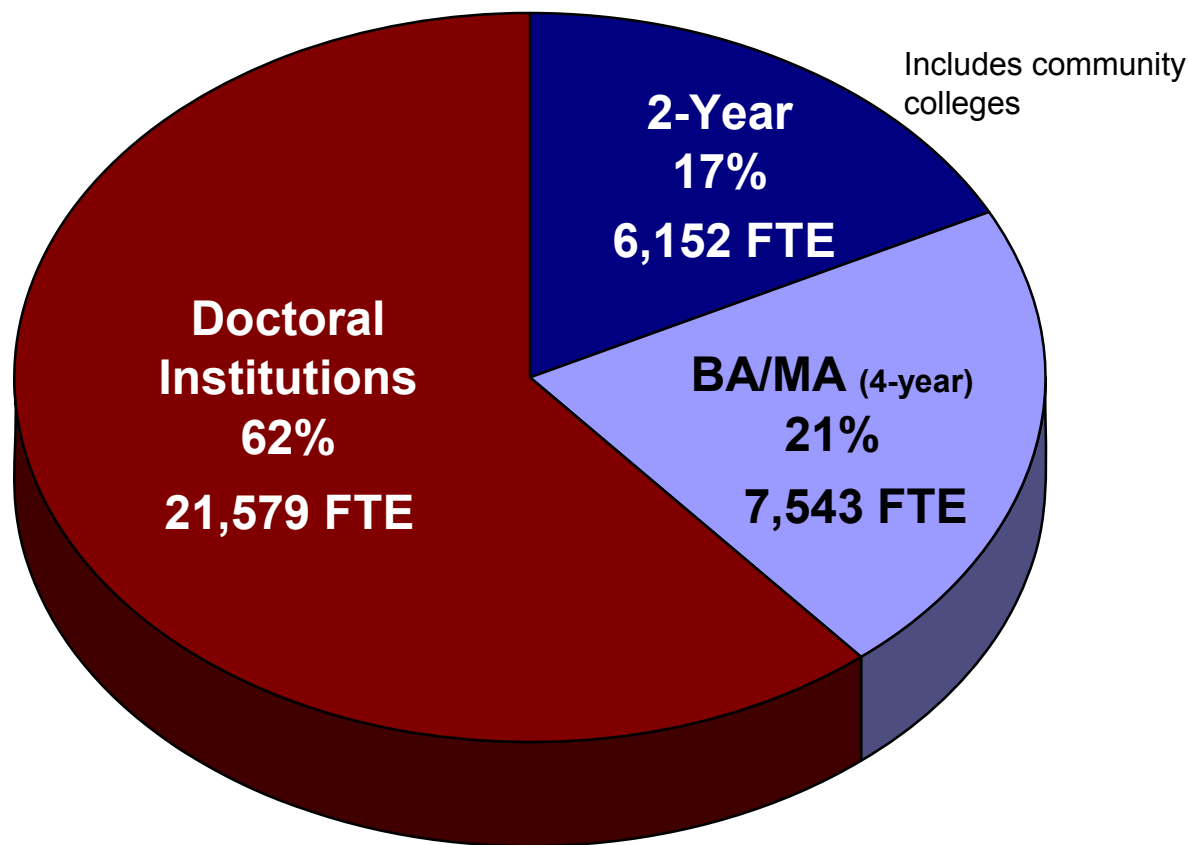
Fall 2007



BACKGROUND: Enrollment Distribution

Student FTE Distribution by Institution Type

Annual Average FTE 2006-07



Total MUS
Headcount =
41,759

Total MUS FTE =
35,293

Full-time Equivalent (FTE) Definition:

Measure of student
workload

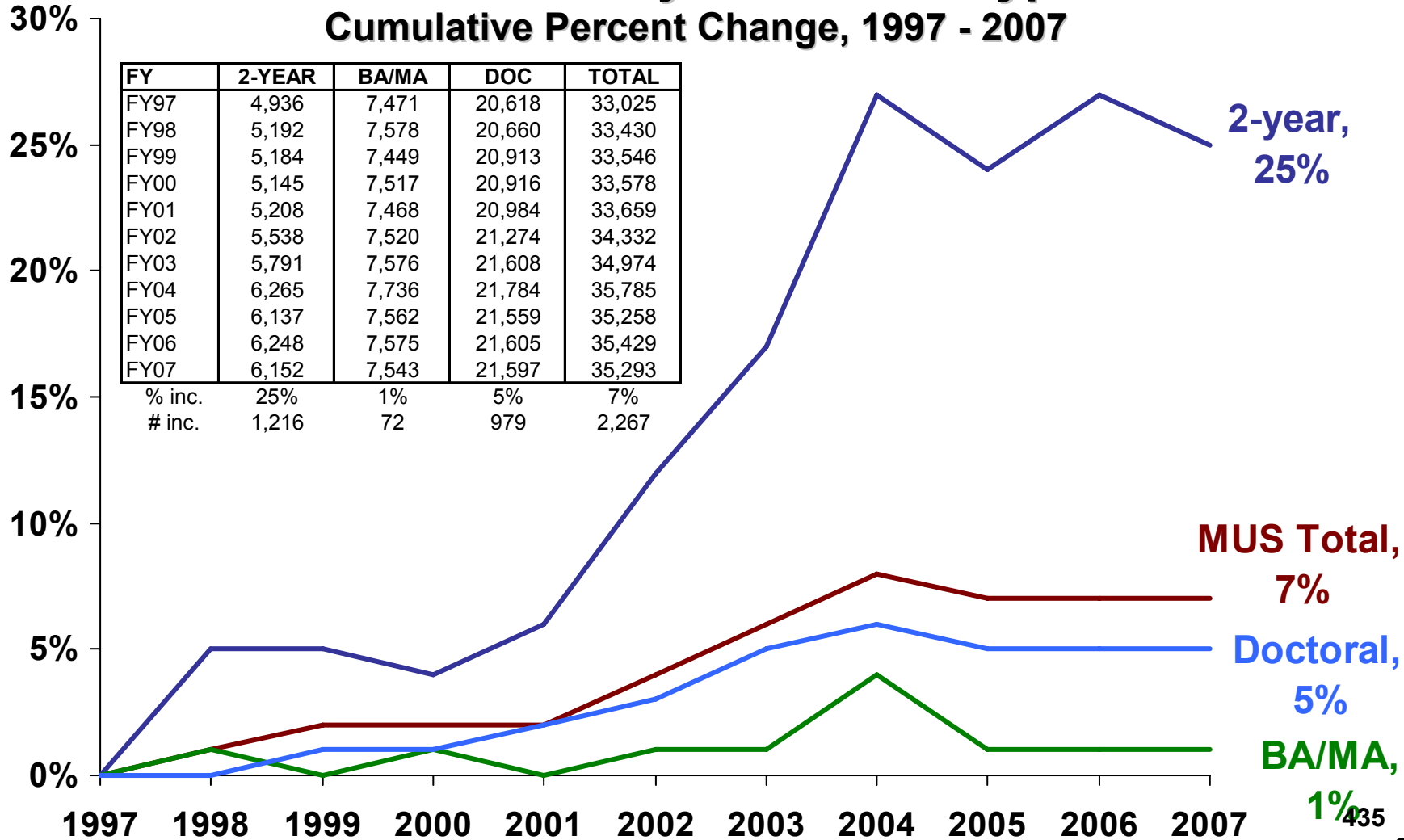
One undergrad FTE
is equal to enrollment
in 15 academic credit
hours per semester

One graduate FTE is
equal to enrollment
in 12 academic credit
hours per semester



BACKGROUND: Enrollment Growth

Student FTE by Institution Type Cumulative Percent Change, 1997 - 2007





Board of Regents' Strategic Goals

**Access &
Affordability**



**Economic
Development**



**Efficiency &
Effectiveness**



Strategic Directions

CAP (tuition policy)

2-year Entry

K-12 Collaboration

Distance Education

**Graduate Program
Enhancement**

**Workforce &
Research Initiatives**

**Transferability &
Student Data**

**Funding Allocation
Methodology**



Board of Regents' Strategic Goals

Access & Affordability

GOAL I: Increase the overall educational attainment of Montanans through increased participation, retention and completion rates in the Montana University System

CAP – College Affordability Plan (tuition policy)

- Implement CAP for 2007-08 & 2008-09
- Continue promoting affordable education in Montana

Data Points: [tuition comparison](#) (12), [tuition history](#) (13), [funding history](#) (14)

2-year Entry – increase access and participation at 2-year institutions

- Dual enrollment
- Non-traditional student enrollment
- Transfer of credit
- Differential Tuition
- Community Perception
- Need-based aid

Data Points: [CC participation](#) (15), [non-trad](#) (16), [CC tuition](#) (17), [tuition ratio](#) (18), [need-based](#) (19), [remediation](#) (20)



Board of Regents' Strategic Goals

Access & Affordability (cont.)

GOAL I: Increase the overall educational attainment of Montanans through increased participation, retention and completion rates in the Montana University System

K-12 Collaboration – work to establish/implement Kindergarten to College priorities

- Link data system with K-12
- Dual credit
- Academic preparation

Data Points: [HS grads](#) (21), [college cont rate](#) (22), [rate increases](#) (23), [MT participation rate](#) (24)

Distance Education – enhance and coordinate distance education

- System-wide portal for distance learning courses and degree programs - www.mus.edu/online/
- On-line student services and advising
- Expand offerings in high demand fields

Data Points: [MUS on-line](#) (25), [DE enrollment](#) (26)



Board of Regents' Strategic Goals

Economic Development

GOAL II: Assist in the expansion and improvement of the state's economy through the development of high value jobs and the diversification of the economic base.

Graduate Program Enhancement – invest in graduate programs to increase research and spur economic development:

- Increase enrollment and completion
- Promote connection between research and economic development

Data Points: [% grad enrollment](#) (27), [R&D Peer Comparison](#) (28)

Workforce and Research Initiatives – expand efforts to connect education with workforce and economic development

- Increase workforce training in healthcare and construction, as well as other high demand fields
- Invest in equipment and technology
- Grow research endeavors to fuel the economy
- Develop better data connecting education to economic development

Data Points: [research expenditures](#) (29), [funding1](#) (30), [funding2](#) (31), [workforce](#) (32), [migration](#) (33), ⁴³⁹[data connection](#) (34)



Board of Regents' Strategic Goals **Efficiency & Effectiveness**

GOAL III: Improve institutional and system efficiency and effectiveness.

Transferability & Student Data – improve transferability and invest in the development of a system-wide student data system

- Improve transferability of credits between MUS institutions
- Increase access to transfer and student-related information
- Enhance accountability and data system

Data Points: [transfers](#) (35), [total credits](#) (36), [2-year Transfers](#) (37)

Funding Methods – explore alternative methods of funding the university system and allocating dollars throughout the system

- Study alternatives to MUS funding formula (PEPB)
- Possible revisions to allocation methodology – strategic directions

Data Points: [funding per fte](#) (38)



Emerging Issues & Trends

Budget Slides

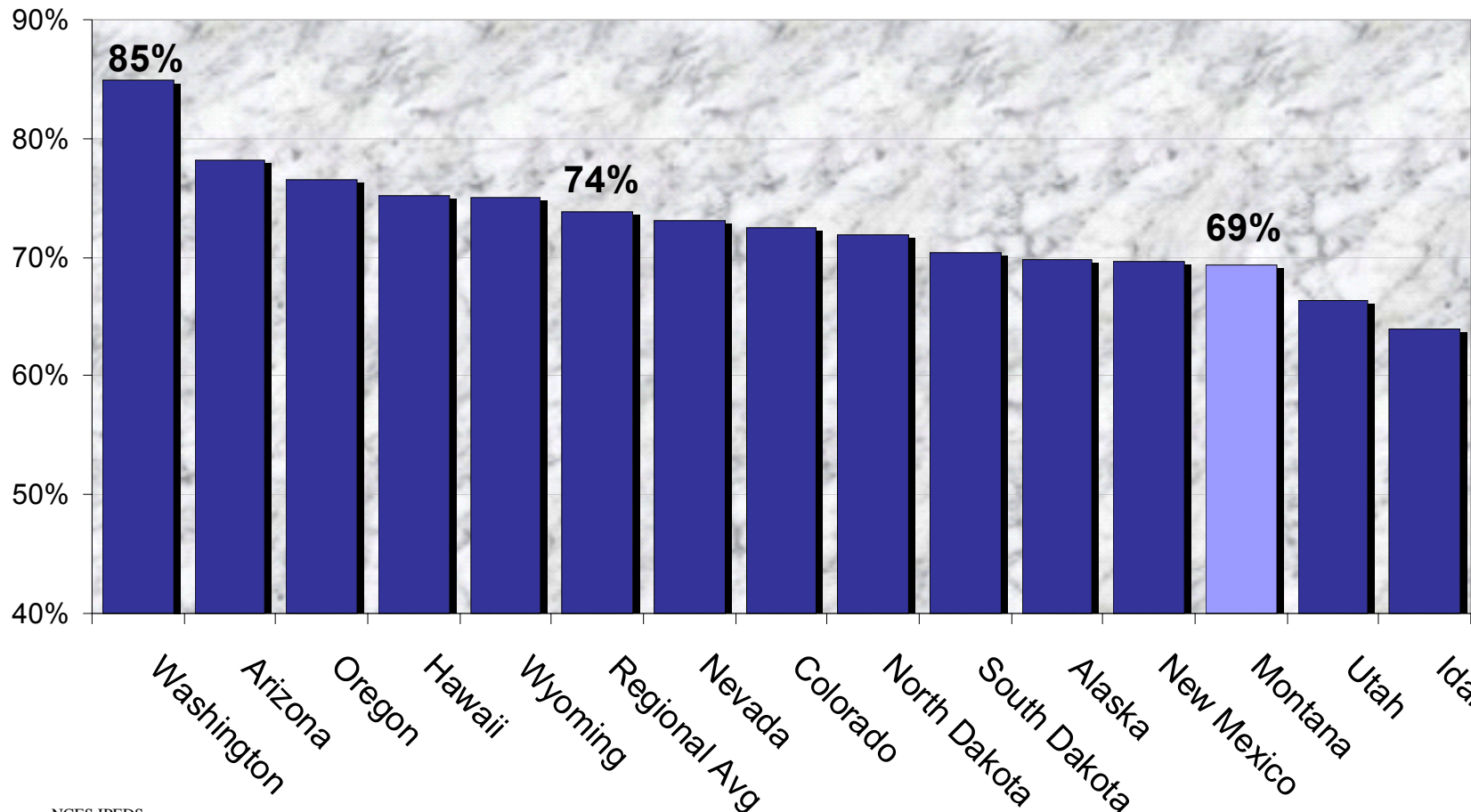


Emerging Issues & Trends

Retention Rates are Below the Regional Average

Freshmen Retention Rates at 4-year Public Institutions 2005-06

Students Entering Fall 2005, Returning Fall 2006



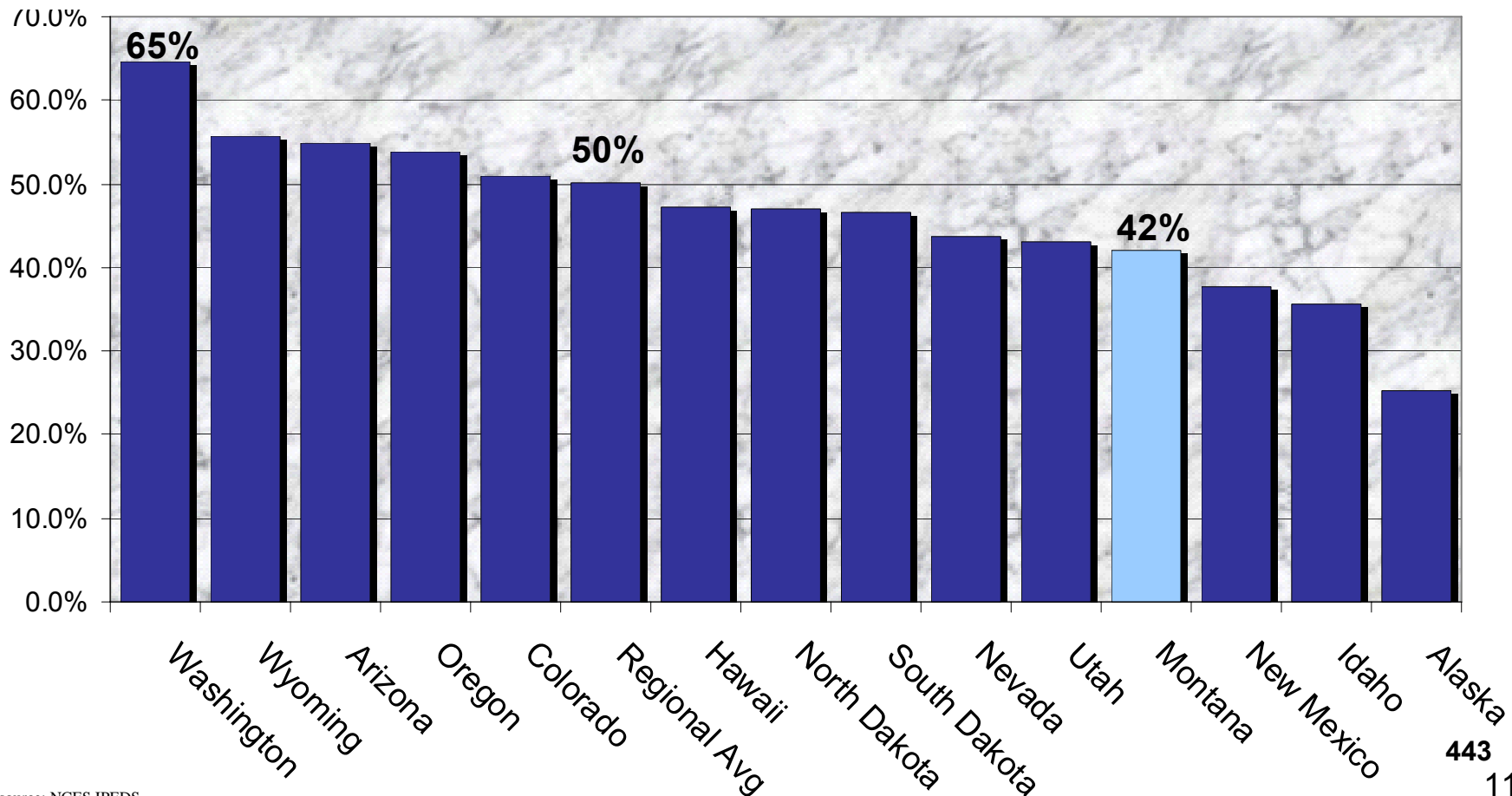


Emerging Issues & Trends

Graduation Rates are Below the Regional Average

Graduation Rates at 4-year Public Institutions, 2005-06

Percent of 1st-time, Full-time, Students Earning Bachelor's Degrees within 6 Years



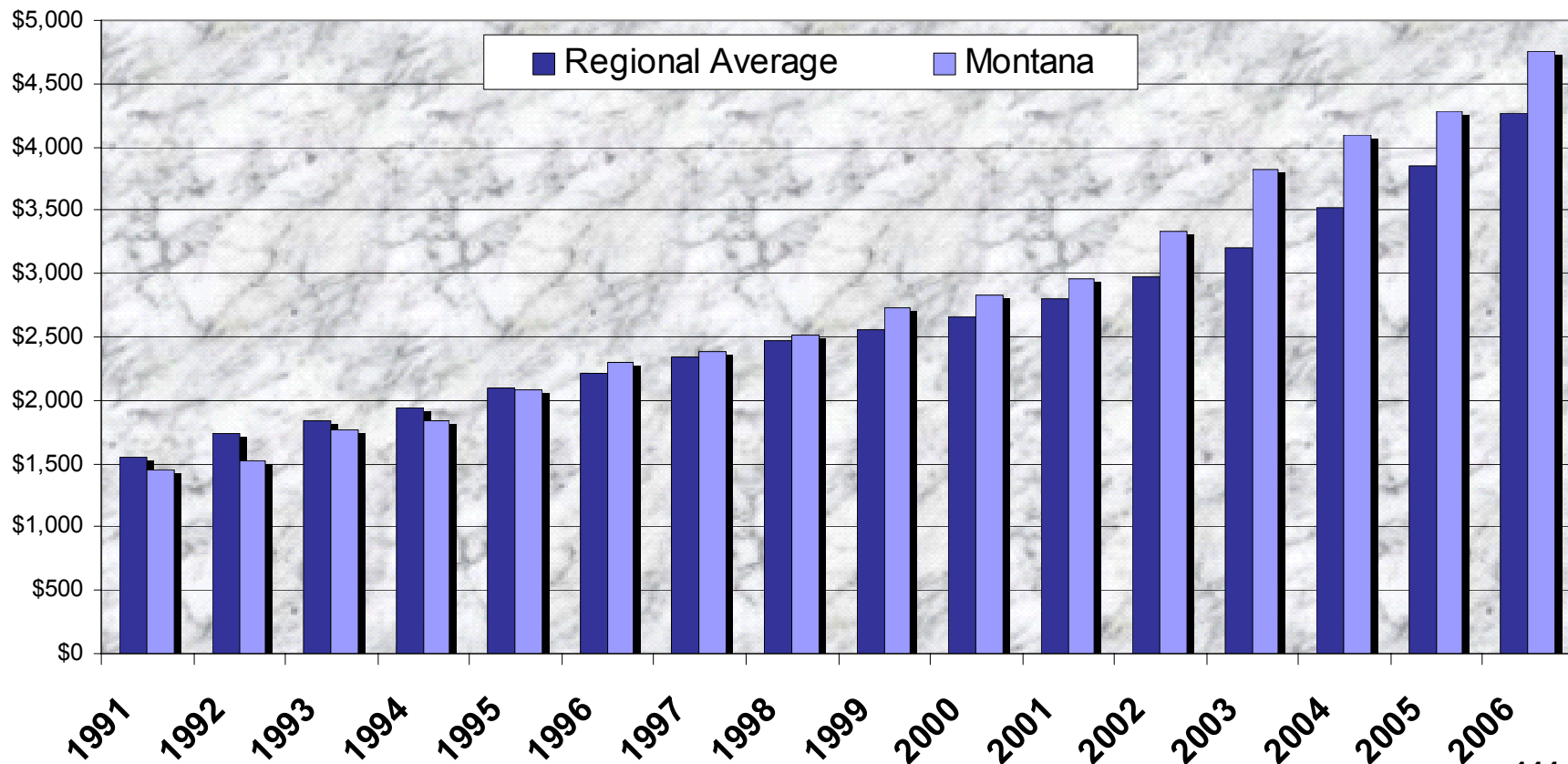
back



Emerging Issues & Trends

Tuition in Montana is Higher than the Regional Average

Average Tuition & Fees for Resident, Full-time Undergraduates
Public, 4-year Institutions, Academic Years 1991 - 2006



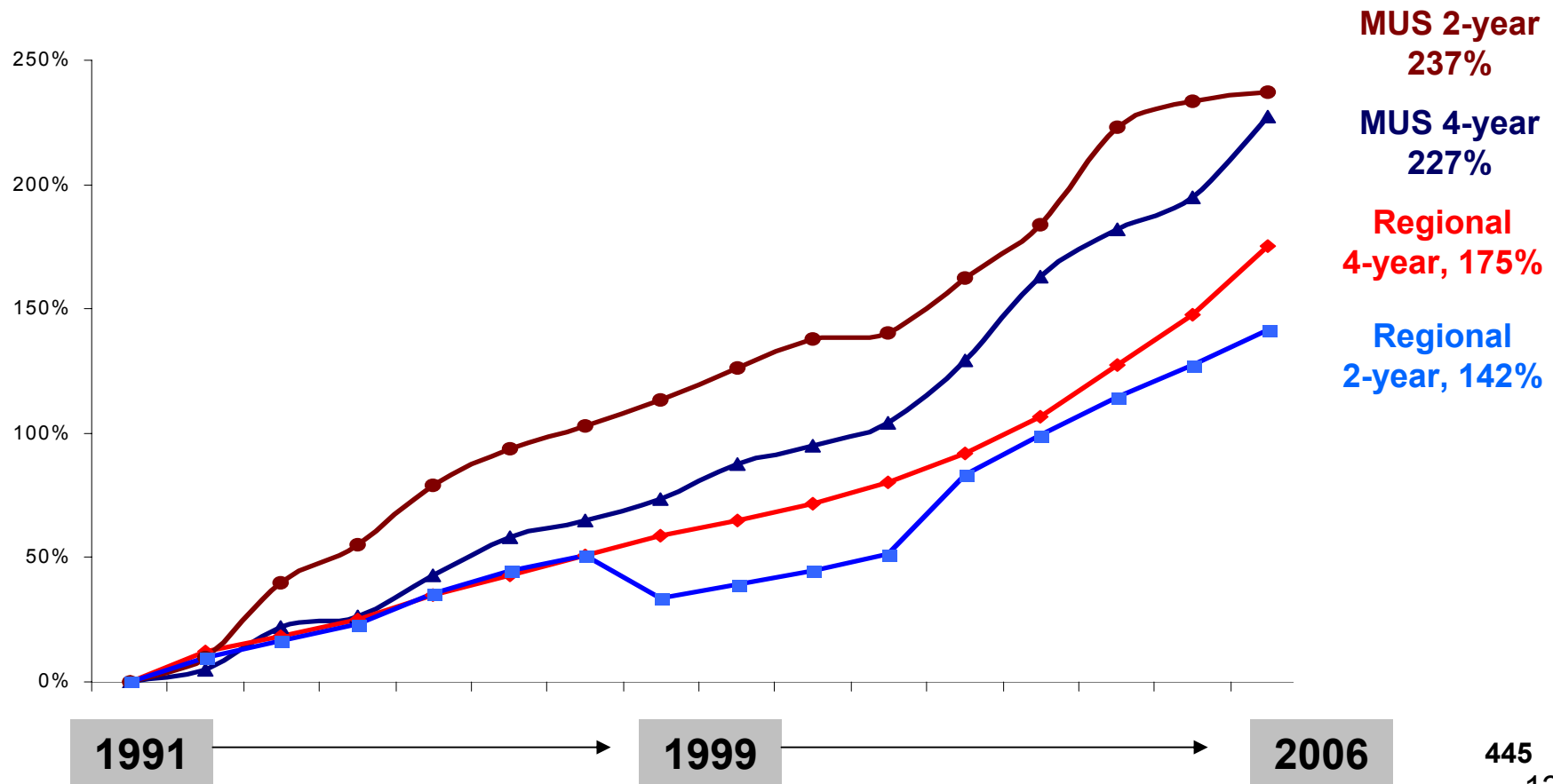


Emerging Issues & Trends

Tuition in Montana has Grown Faster than the Regional Avg

Tuition and Fee Increases for Full-time Resident Undergraduates

Cumulative Percent Change, 1991 to 2006 (academic year)



[back](#)

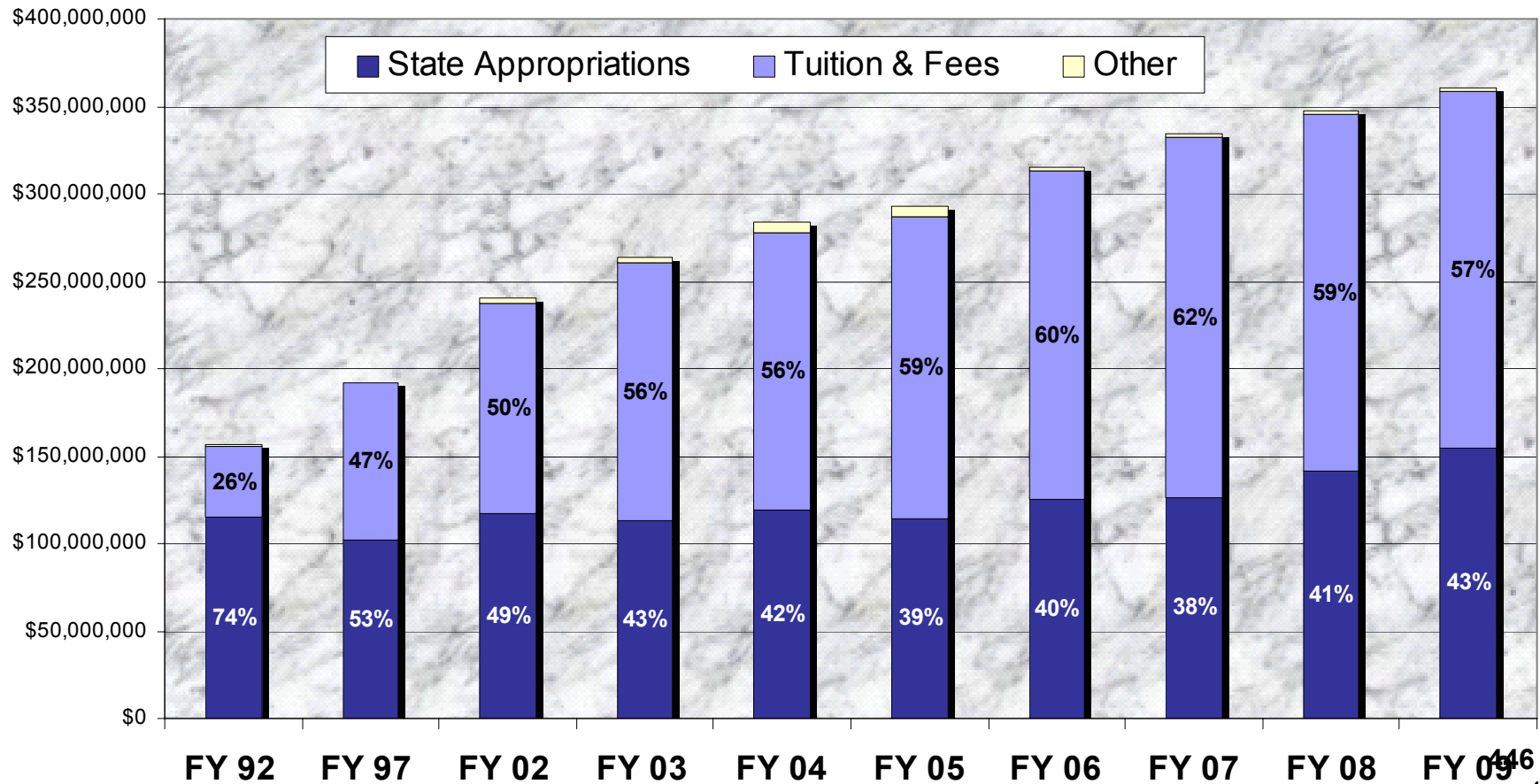


Emerging Issues & Trends

Trend of Declining State Support Shifted in 2008

MUS Funding History by Revenue Sources

MUS Education Units, Fiscal Years 1992, 1997, 2002 - 2009



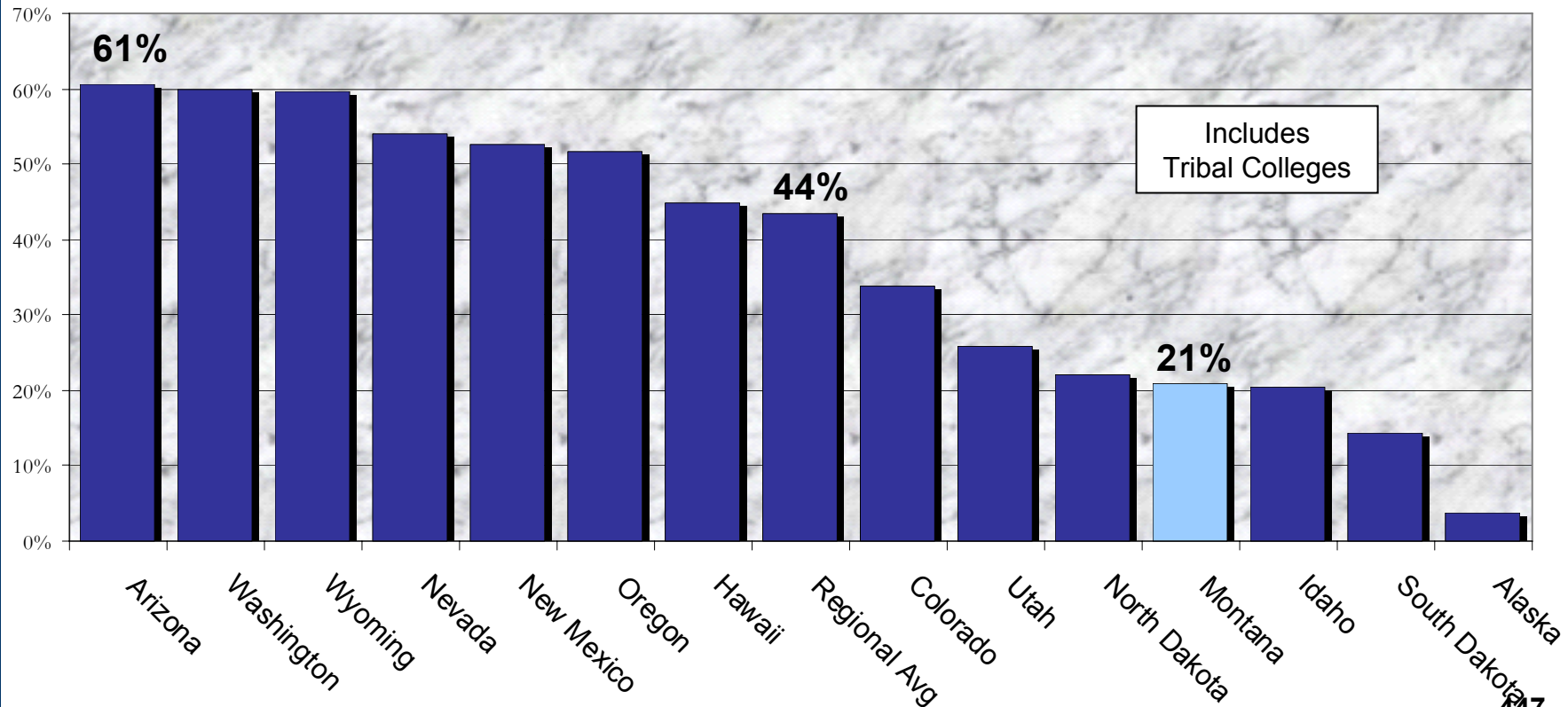


Emerging Issues & Trends

Low Percentage of Students Enrolled in Two-year Colleges

Percent of Higher Education Enrollment at 2-year Institutions

Unduplicated Headcount at Public Institutions, Fall 2006





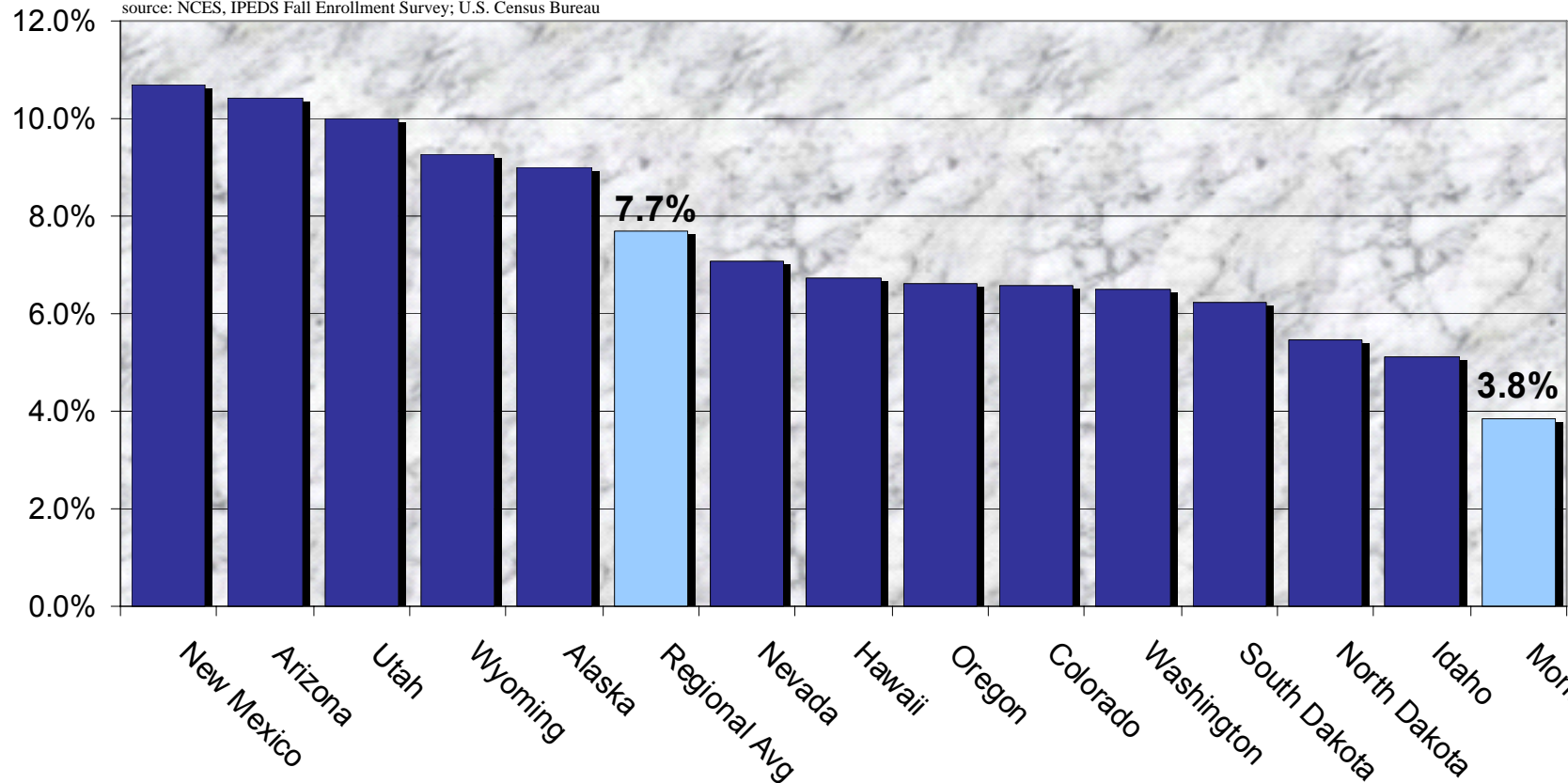
Emerging Issues & Trends

Low Percentage of Adults Enrolled in Higher Education

Part-time Undergraduate Enrollment as a Percent of Pop. Ages 25 to 44

2004-05

source: NCES, IPEDS Fall Enrollment Survey; U.S. Census Bureau



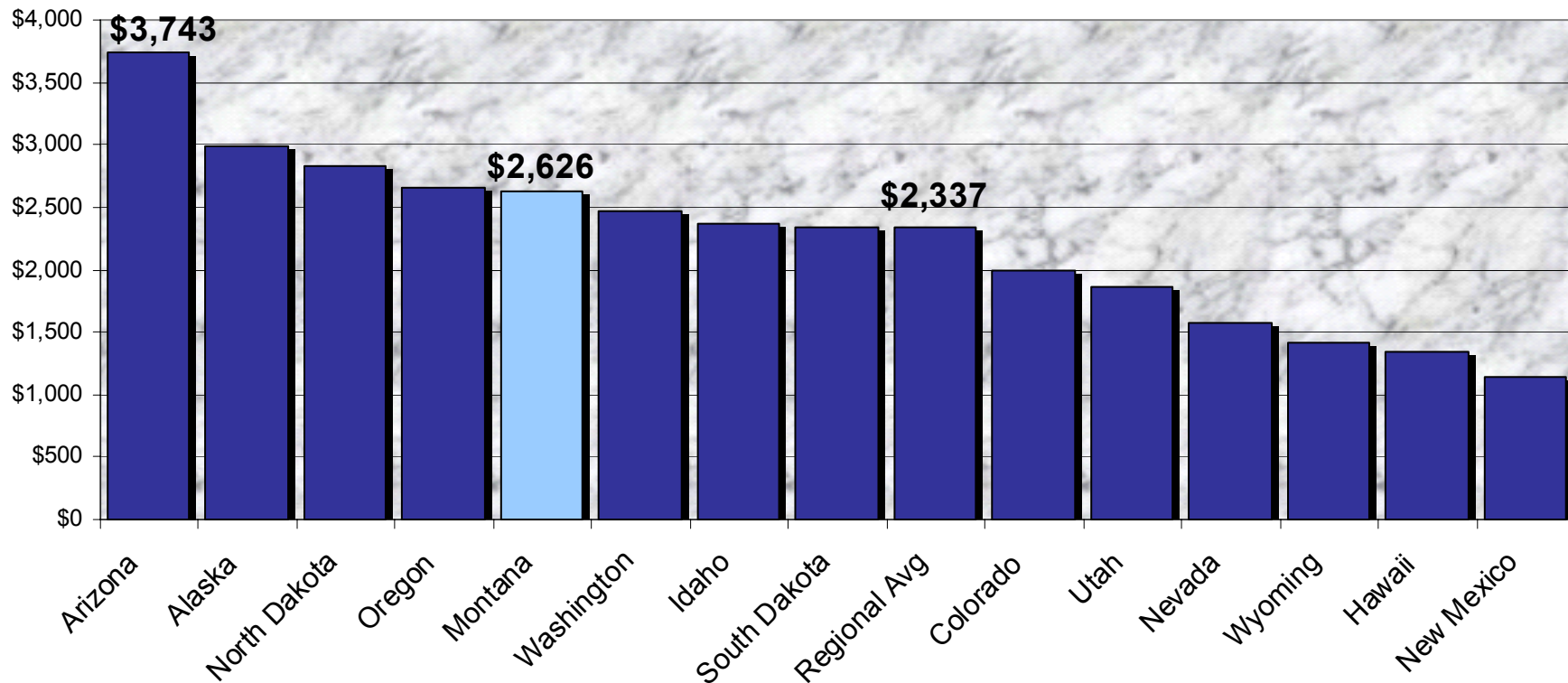


Emerging Issues & Trends

Tuition at 2-year Institutions is Higher than Regional Avg.

Average Annual Tuition at Public, Two-year Institutions

In-state, Full-time Undergraduates -- 2006-07 Academic Year



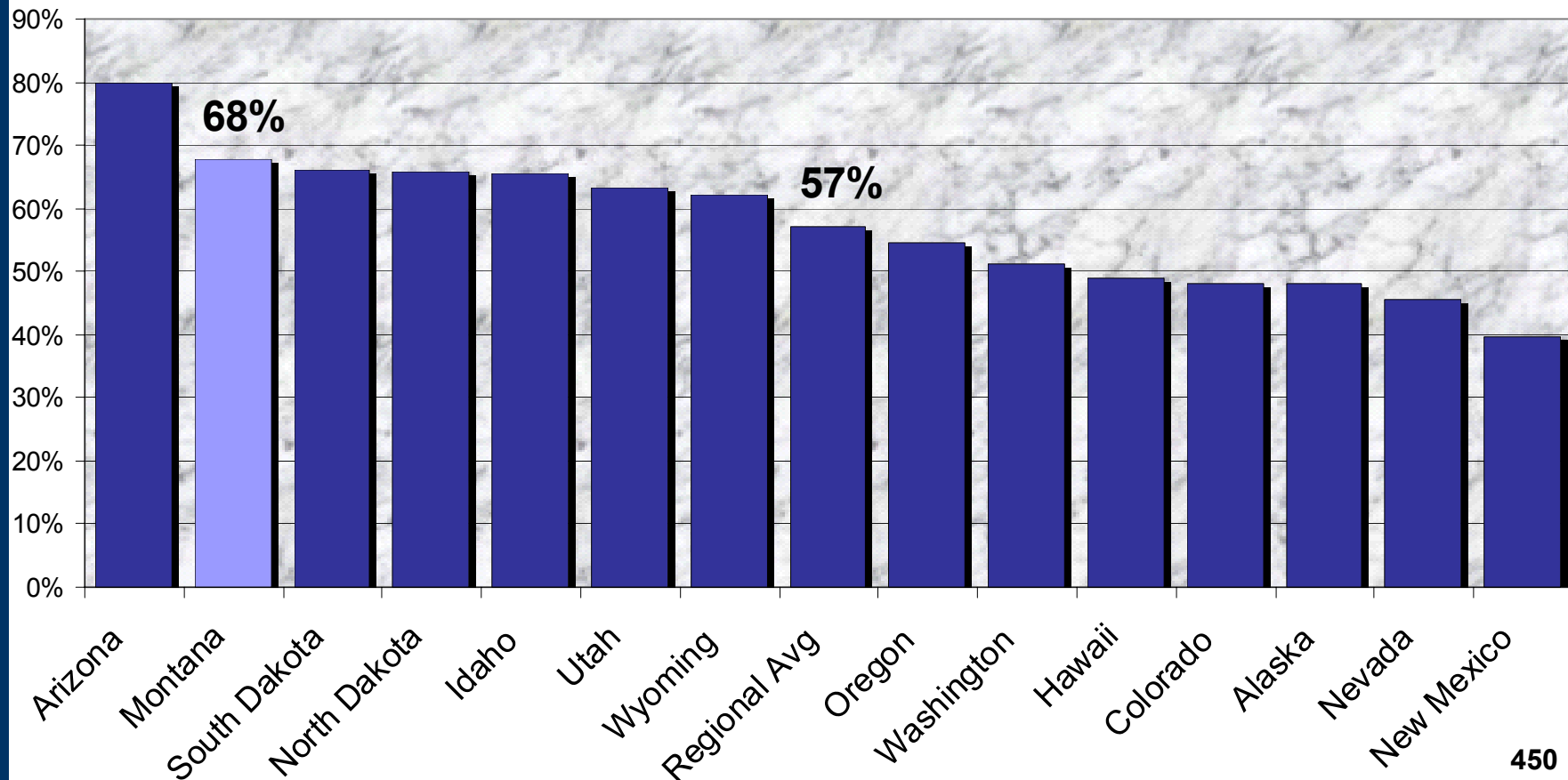


Emerging Issues & Trends

2-year Tuition is High Relative to 4-year Tuition in MT

2-year Tuition & Fees as a Percent of 4-year Tuition & Fees Average

Annual Resident Undergraduate Tuition & Fees, 2005-06





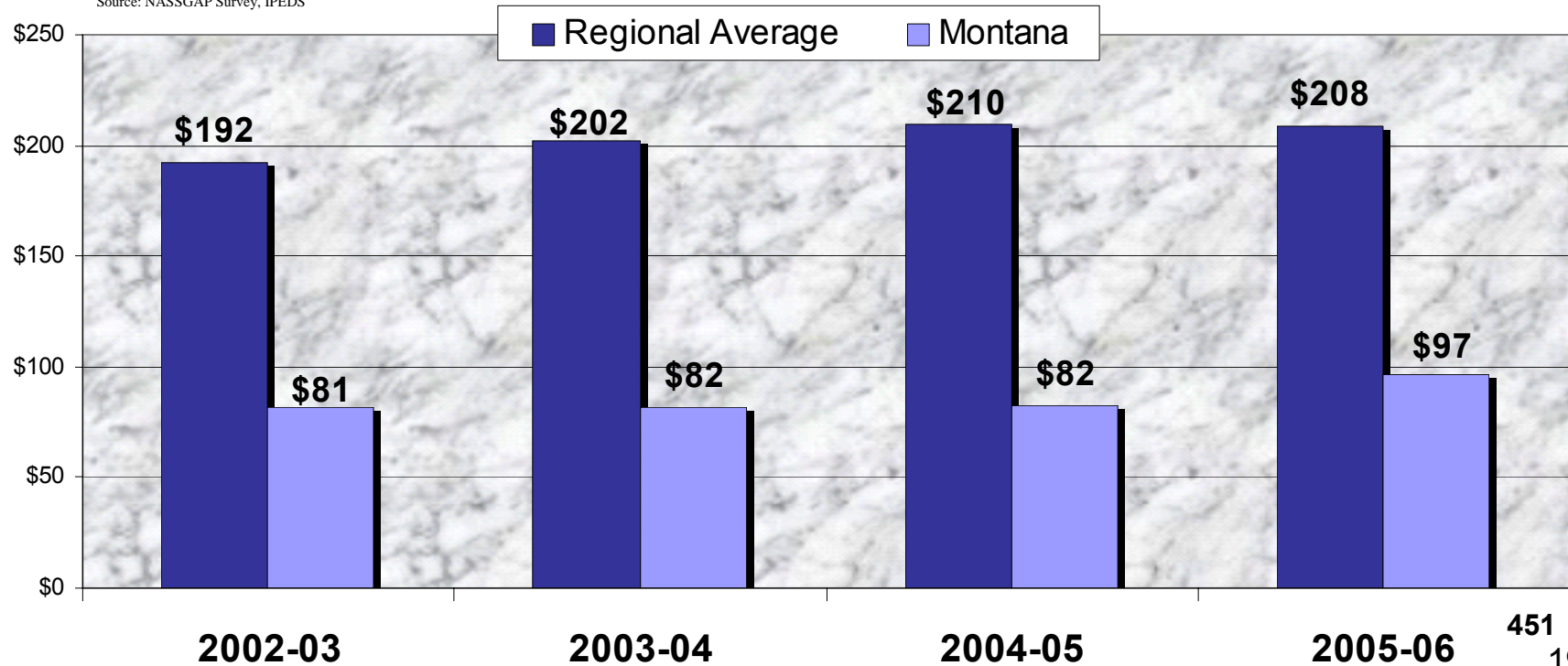
Emerging Issues & Trends

Financial Aid for Low Income Students is Limited

Even with recent increases to financial aid programs, Montana still lags behind the regional average.

State Funded Need-Based Aid per Student FTE
2002-03 through 2005-06

Source: NASSGAP Survey, IPEDS



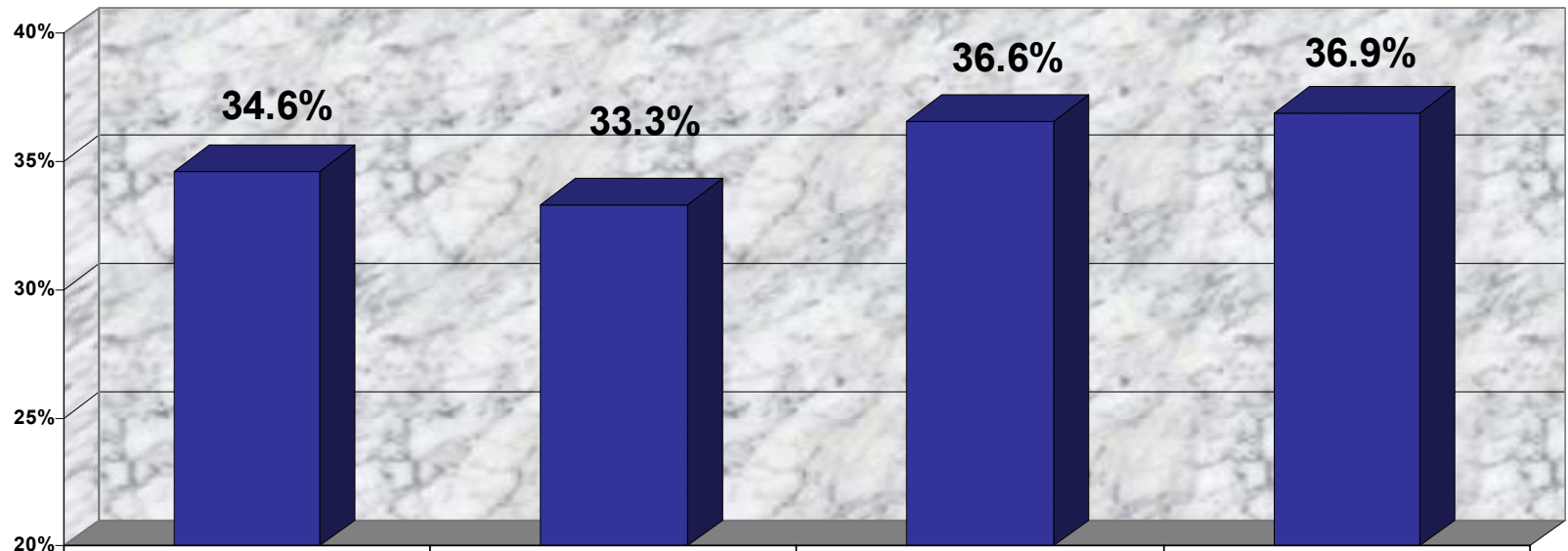


Emerging Issues & Trends

Over 1/3 of Recent MT Graduates Require Remediation

Remediation Rate (*def.*): percent of recent Montana high school graduates enrolling in remedial math or English in the fall semester immediately following graduation.

Remediation Rate of Recent MT High School Graduates
(in 1st semester of college immediately following graduation)



**2002-03 Grads
Enrolling Fall 03**

**2003-04 Grads
Enrolling Fall 04**

**2004-05 Grads
Enrolling Fall 05**

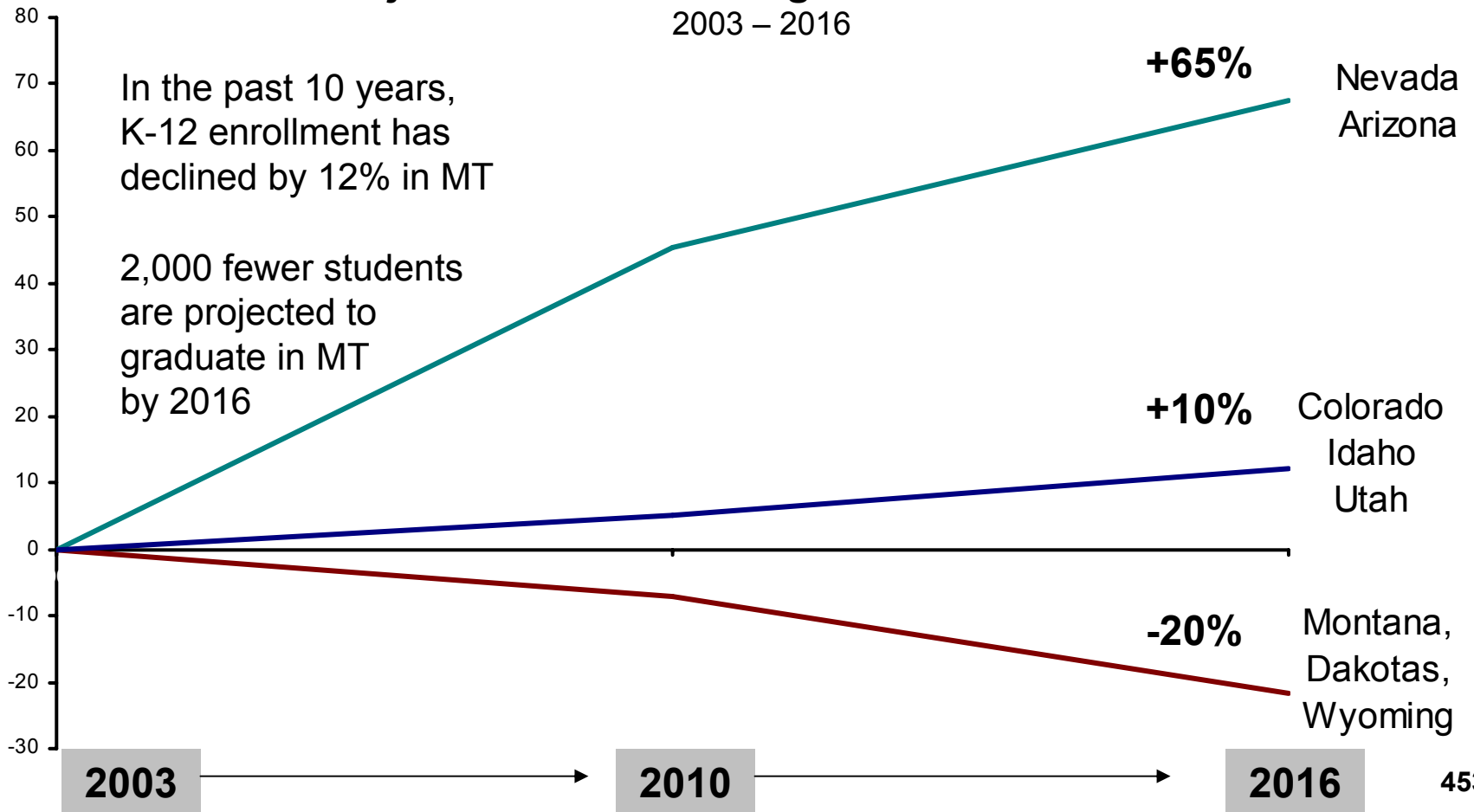
**2005-06 Grads
Enrolling Fall 06**



Emerging Issues & Trends

Declining Number of High School Graduates

Projections of Public High School Graduates
2003 – 2016



back

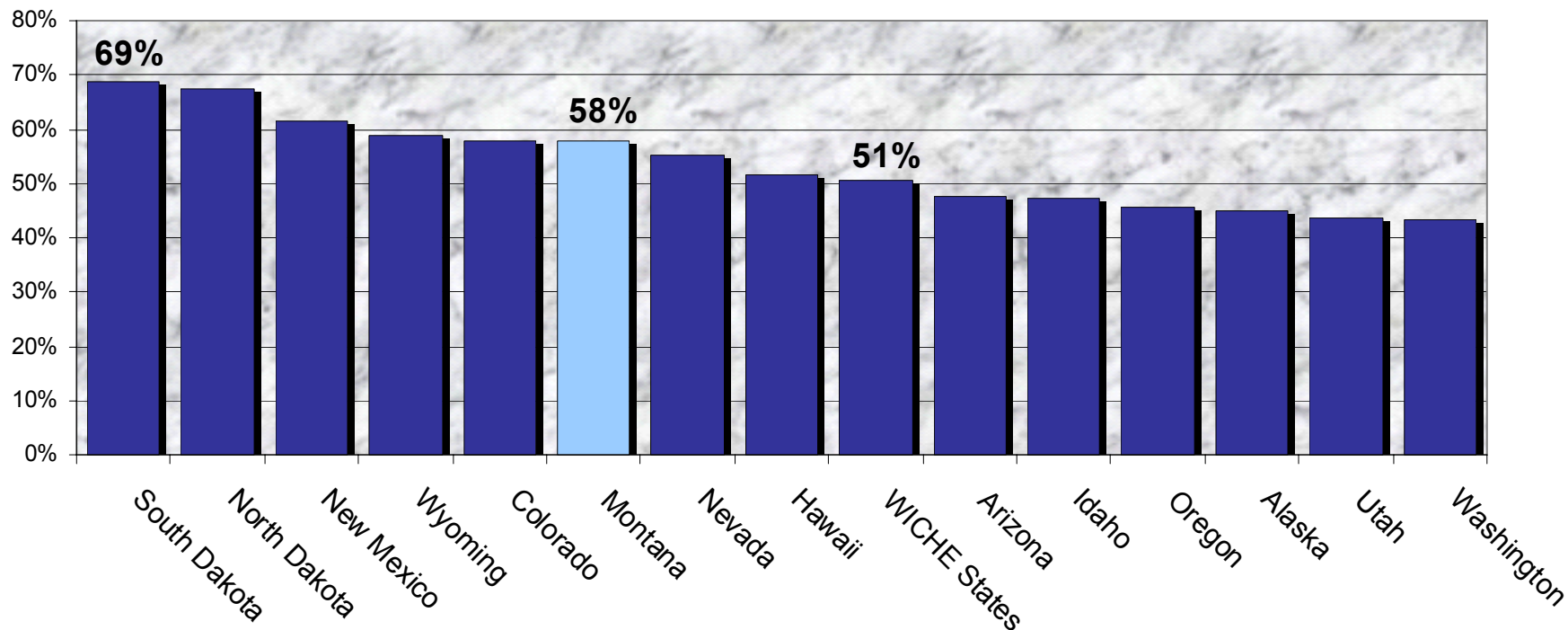


Emerging Issues & Trends

College Continuation Rates are Above Regional Average

College Continuation Rate, Fall 2004

Percent of high school graduates enrolled as 1st-time, degree-seeking college students in the fall semester immediately following graduation



On average, 35% of recent high school graduates enter the MUS, 5% enroll in tribal or private colleges in Montana, while 15% choose to enroll out-of-state.



Emerging Issues & Trends

College Continuation Rates Must Improve

College Continuation Rates

Percent of high school graduates enrolled as 1st-time, degree-seeking college students in the fall semester immediately following graduation

	2004	2010	2016
# of MT High School Graduates (public & private)	11,147	10,077	8,823
College Continuation To:			
Montana University System	37%	43%	52%
MT Tribal & Private	5%	5%	5%
Out-of-State	15%	15%	15%
Total % Enrolling	57%	63%	72%
# Continuing to College	6,360	6,349	6,353 ⁴⁵⁵

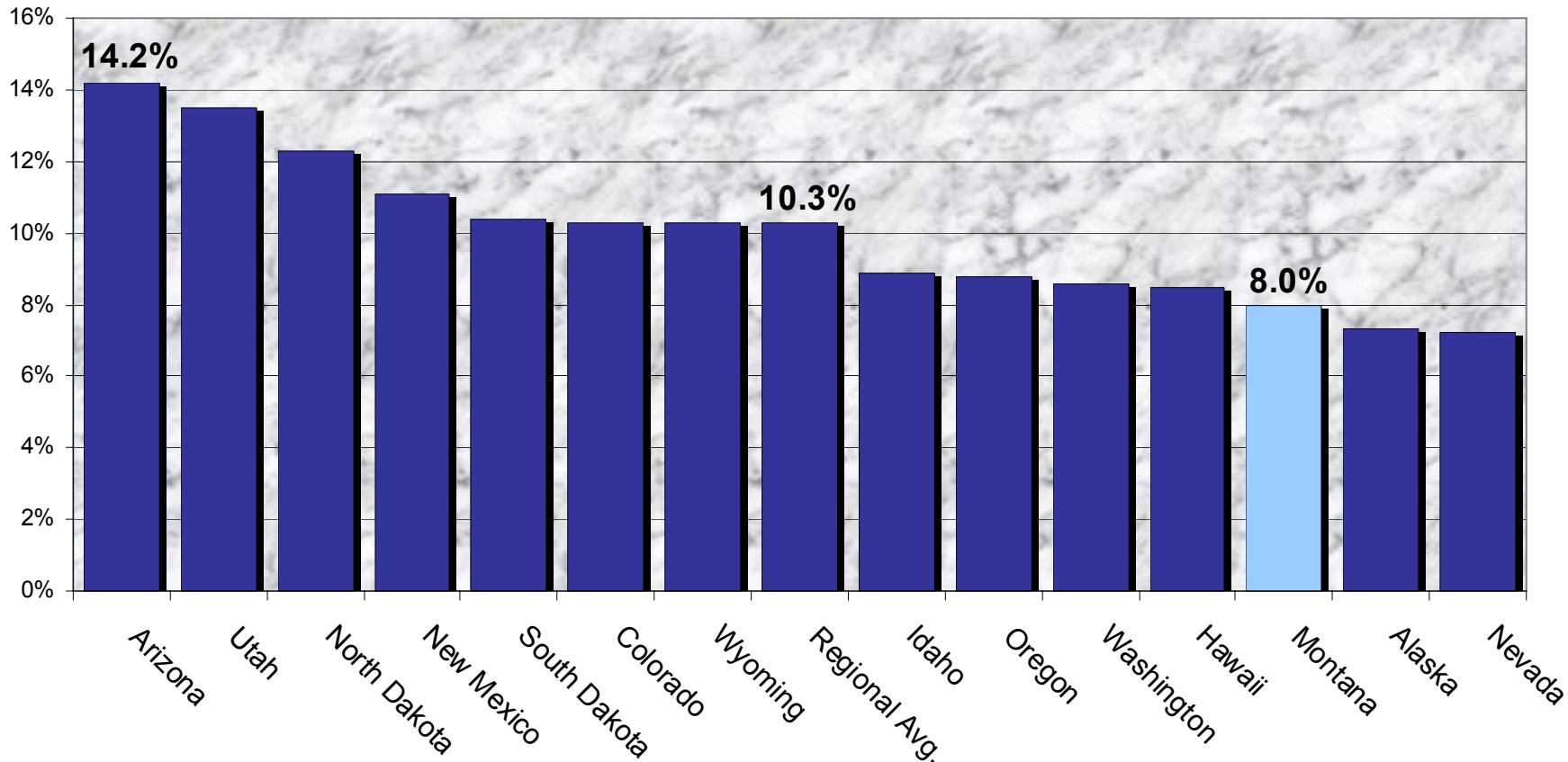


Emerging Issues & Trends

Overall, College Participation Rates in Montana are Low

Percent of Total Population Enrolled in College, 2004

18 to 64 year olds



back



Emerging Issues & Trends

Enhancing & Coordinating Distance Learning

www.mus.edu/on-line

The screenshot shows the Montana University System website. At the top left is the **mus.edu** logo with the text "Montana University System". To the right is a banner image with the text **"ONE WEB SITE, ELEVEN CAMPUSES"**. Below the banner is a green navigation menu with the following items: [Distance Learning Opportunities](#), [General Education Core](#), [Tuition and Fees](#), [Glossary of Terms](#), [FAQs](#), and [HOME](#).

On the left side of the page, there is a circular seal of the Montana University System. Below the seal, the text **Courses Available at:** is followed by a dropdown menu labeled "Select a Campus". Below that is a **Quick Search** section with a dropdown menu labeled "Program Core Area". At the bottom left, there is a link: [Web site problems? Contact us](#).

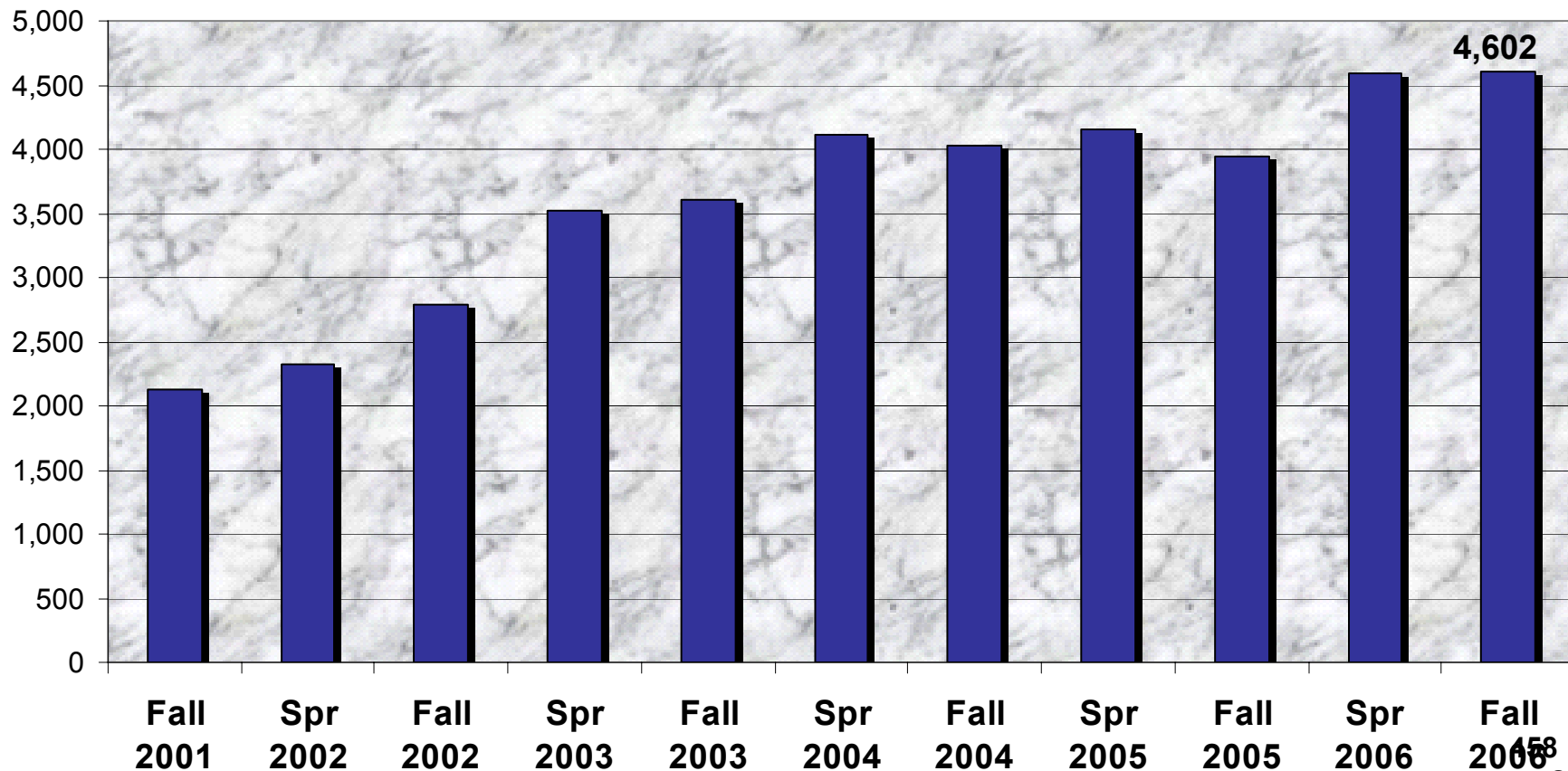
The main content area features a **Welcome** message: "It's great to have you stop at our newest web site concentrating on distance learning opportunities across the State of Montana, offered both from our Montana University System as well as from members of our state's fine community colleges." This is followed by a paragraph: "To your left, you may choose to view the general education courses available in the current semester at any of these institutions of higher learning, as well as taking the opportunity to select from any of the general education Core Areas. Once you find the course or courses you're interested in pursuing, just click on the [\[More Info\]](#) button to be taken to a detail page directing you to the institution for further investigation and registration." Below this is another paragraph: "We also have more information about [Distance Learning Opportunities](#) as well as the [General Education Core](#)." At the bottom of the main content area, it says: "We hope you enjoy our ongoing effort to serve a unique segment of learners state- and nationwide!"



Emerging Issues & Trends

Enrollment in Distance Education is Increasing

MUS Distance Education Enrollment
Unduplicated Headcount, Fall 2001 – Fall 2006



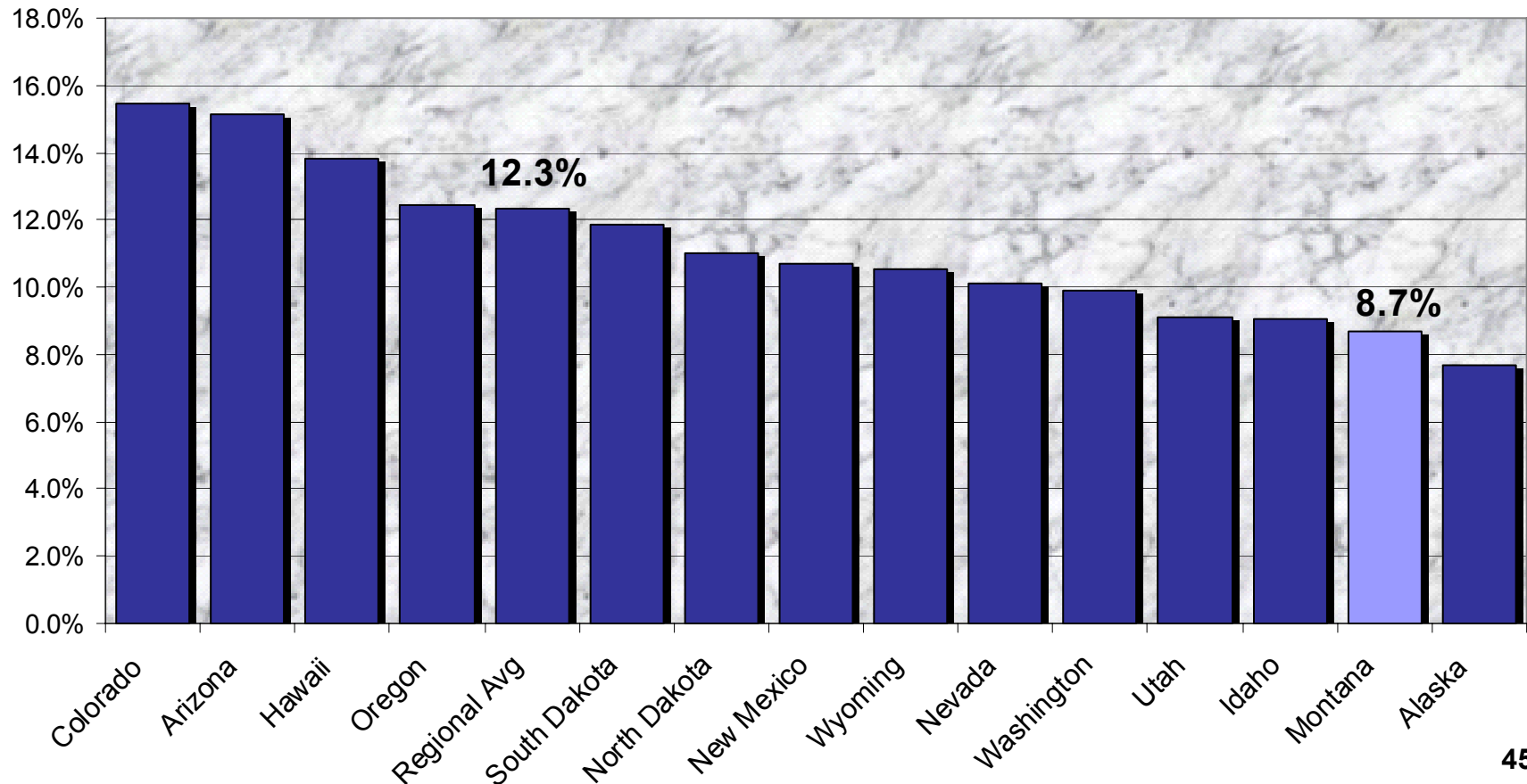


Emerging Issues & Trends

Enrollment in Graduate Programs Lags Behind Peers

Percent of Higher Education Enrollment in Graduate Programs

Unduplicated Headcount at Public & Private Institutions, Fall 2006



[back](#)

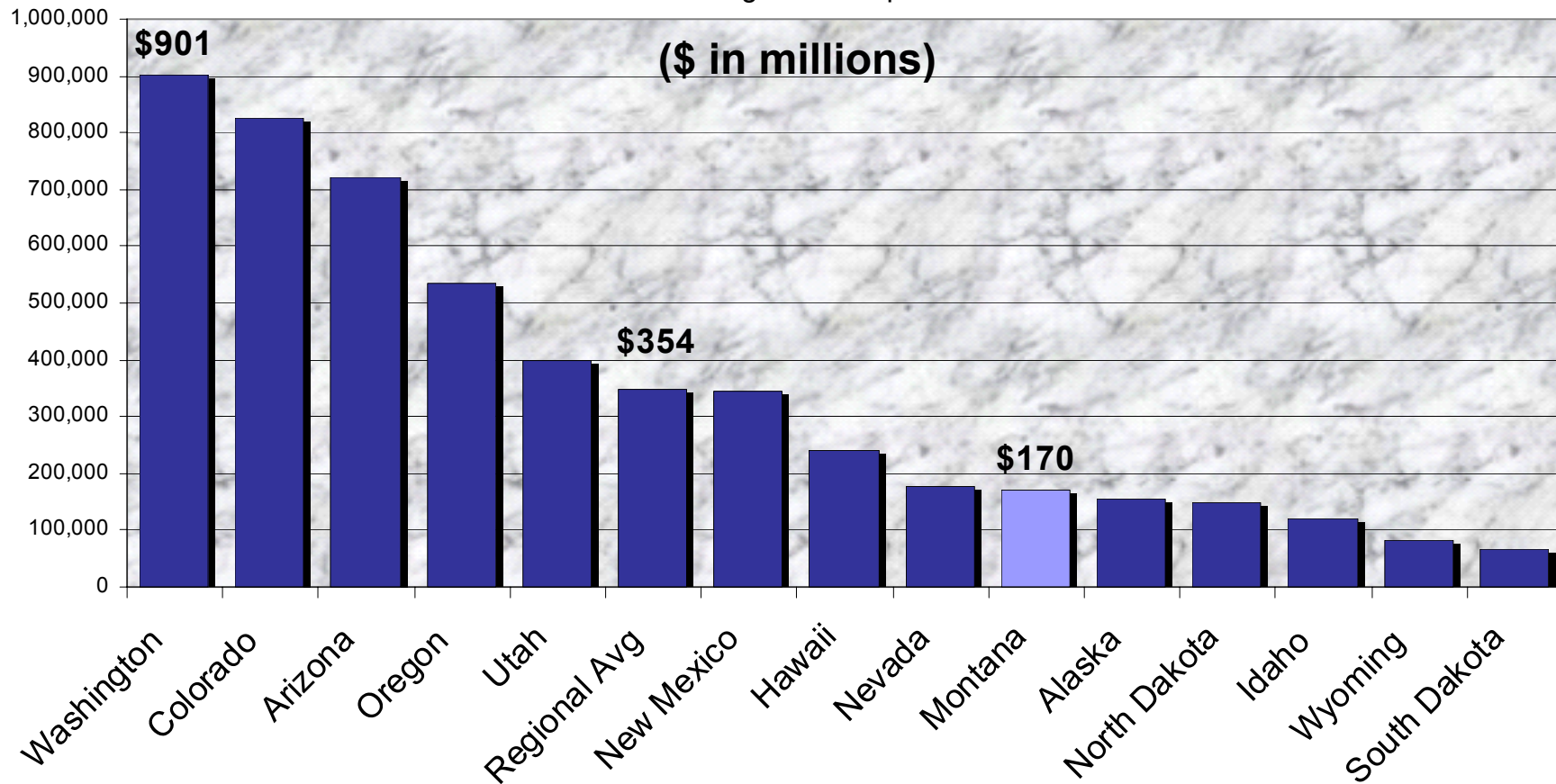


Emerging Issues & Trends

R&D Expenditures are Below the Regional Average

Research & Development Expenditures

FY 2005 Regional Comparisons



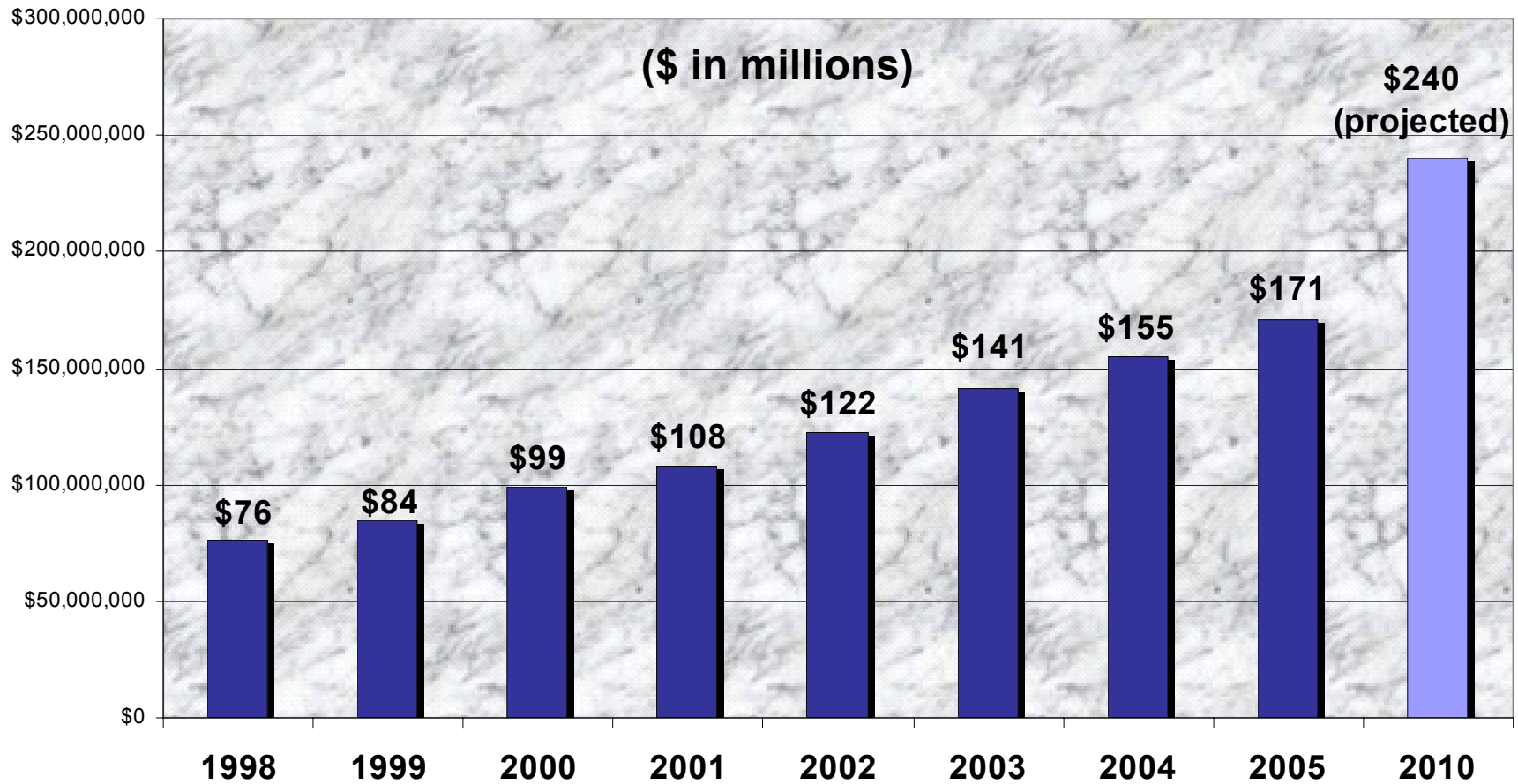


Emerging Issues & Trends

Research & Development is Growing

MUS Research & Development Expenditures

FY 1998 - FY 2005 Actual, FY 2010 Projected



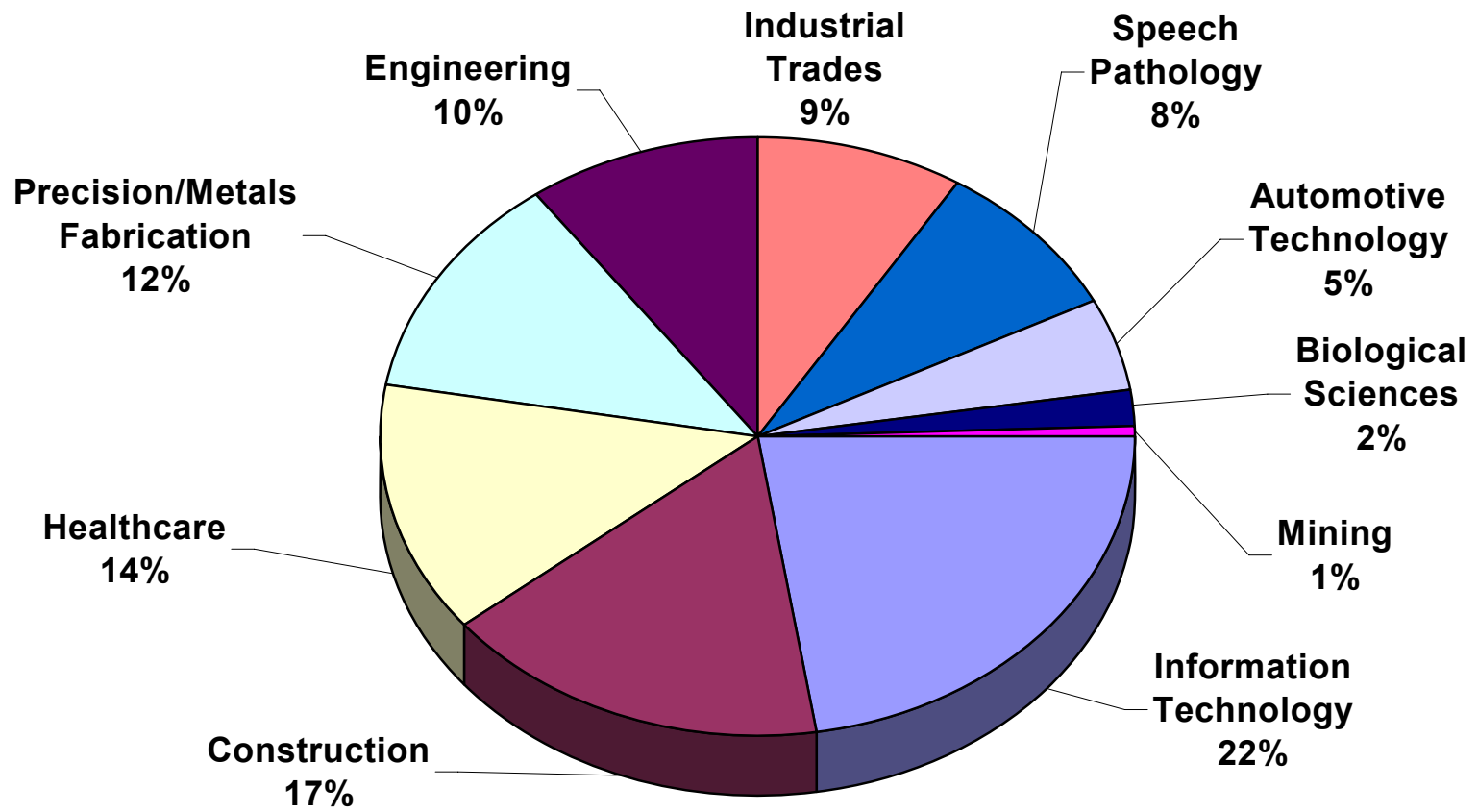


Emerging Issues & Trends

Equipment and Technology in High Demand Fields

\$4 million appropriated to the MUS by the 2007 Legislature, over \$5 million matched with non-state sources

Distribution of Funds by Industry/Field of Study



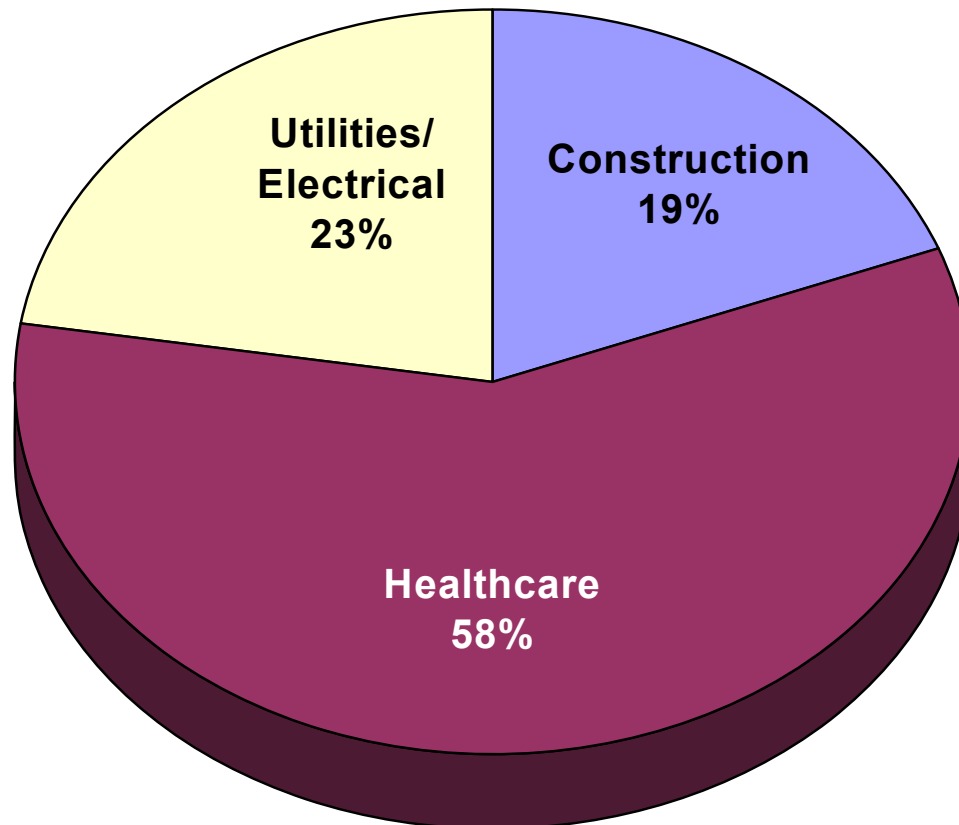


Emerging Issues & Trends

Workforce Training in High Demand Fields

**\$1.5 million appropriated to the MUS by the 2007 Legislature,
\$1.4 million matched with non-state sources**

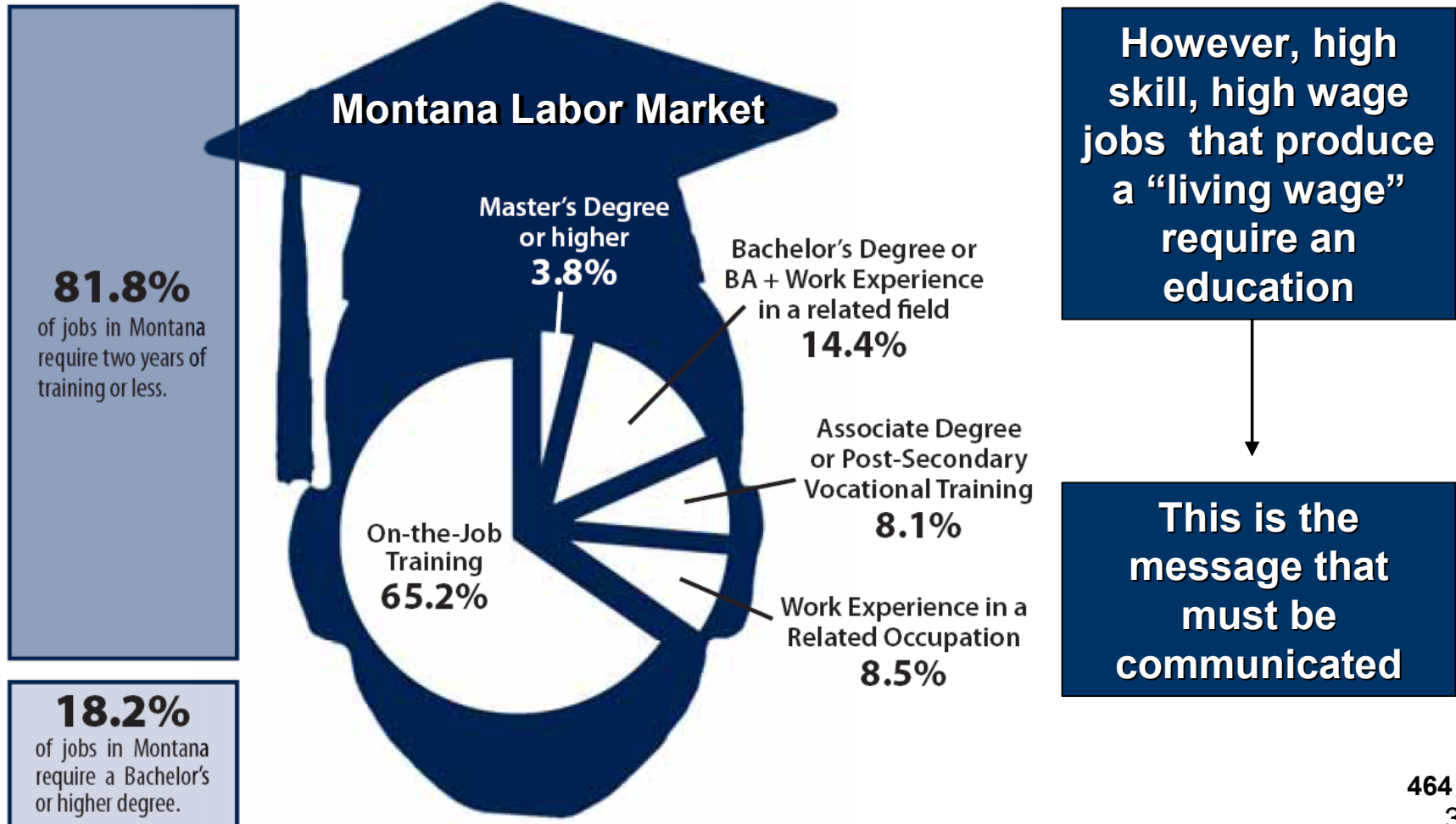
Distribution of Funds by Industry/Field of Study





Emerging Issues & Trends

Most Existing Jobs Don't Require a Higher Education



[back](#)

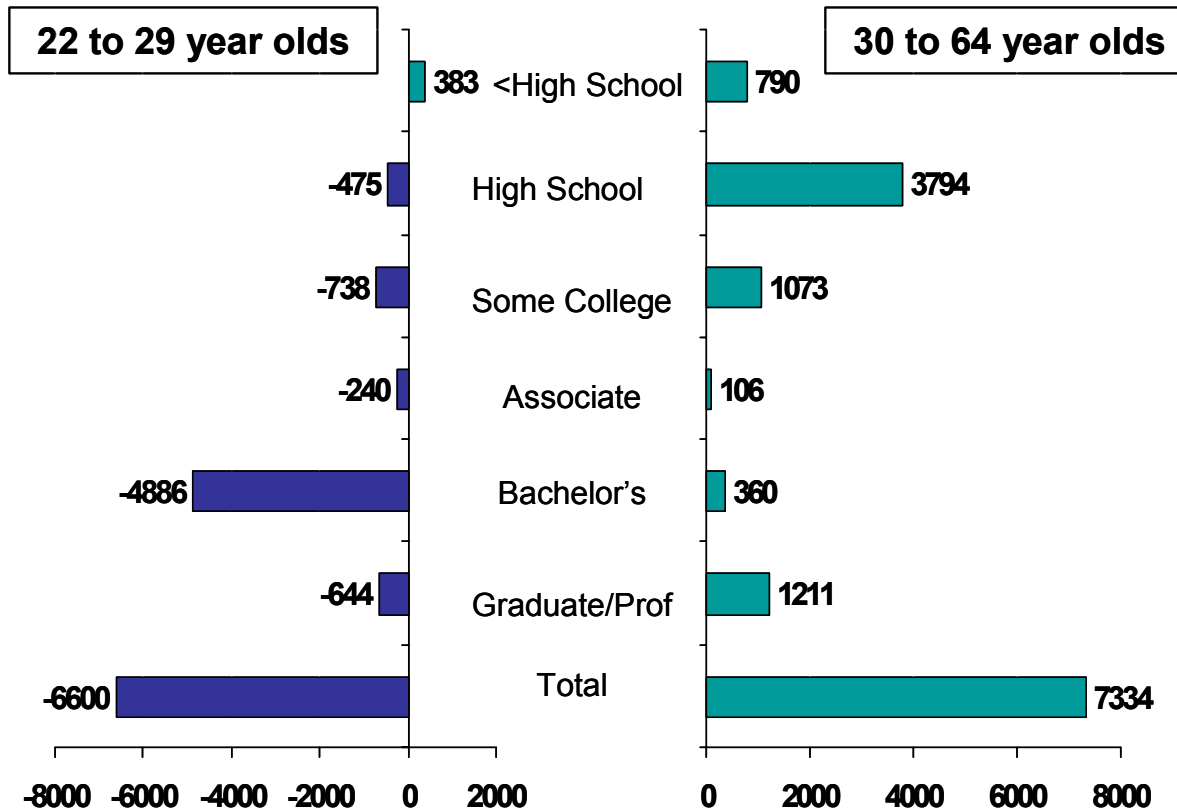


Emerging Issues & Trends

Need for Better Data Connecting Graduates to Workforce

MONTANA

Net In-migration by Degree Level & Age Group, 2000



Recent Census Survey
indicates that this trend may have reversed

(Am. Comm. Survey 2005)



Clear need for better information linking Montana graduates to the workforce



Emerging Issues & Trends

Data Connection -- MUS & MT Dept. of Labor

MUS Healthcare Graduate Employment by County

2003 & 2004 MUS Healthcare Graduates Employed in 2005

Degree/ Certificates	# of MUS Graduates (2003 & 2004) ¹	Employed in MT Labor Force in 2005 ²		Average Salary of Graduating Cohort
		Number	Percent	
Registered Nurse	519	365	70%	\$41,211
Practical Nurse	244	171	70%	\$26,870
Pharmacy	143	49	34%	\$83,289
Physical Therapy	42	19	45%	\$40,024
Respiratory Therapist	37	21	57%	\$35,725
Surgical Technology	33	24	73%	\$28,537
Health Administration	28	21	75%	\$43,534
Dental Assistant	27	21	78%	\$16,588
Health Information Tech	25	18	72%	\$21,726
Rehabilitation Counselor	23	11	48%	\$28,437
Total # of Graduates	1284	804	63%	\$37,580

1) 2003 & 2004 academic years represent students from: Fall 2002, Spr. 2003, Sum. 2003, Fall 2003, Spr. 2004, & Sum. 2004

2) indicates wage record found in MT Unemployment Insurance Wage database in all four quarters of 2005



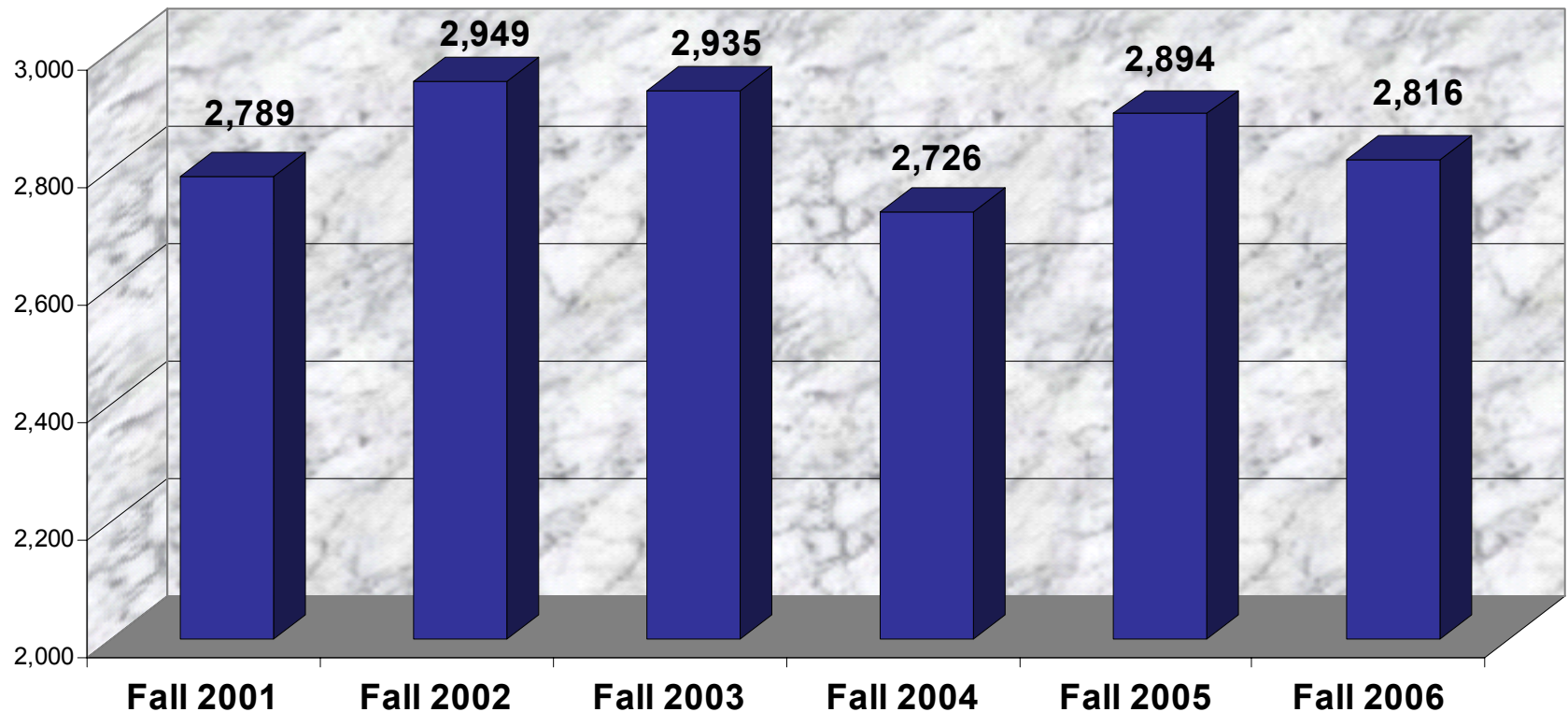
Emerging Issues & Trends

Students Often Move Between Institutions in the MUS

New Transfer Student Enrollment

Fall 2001 thru Fall 2006

source: MUS Data Warehouse
(does not include comm. colleges)



Between 7% to 8% of the students enrolled in the MUS each fall semester are recent transfer students.

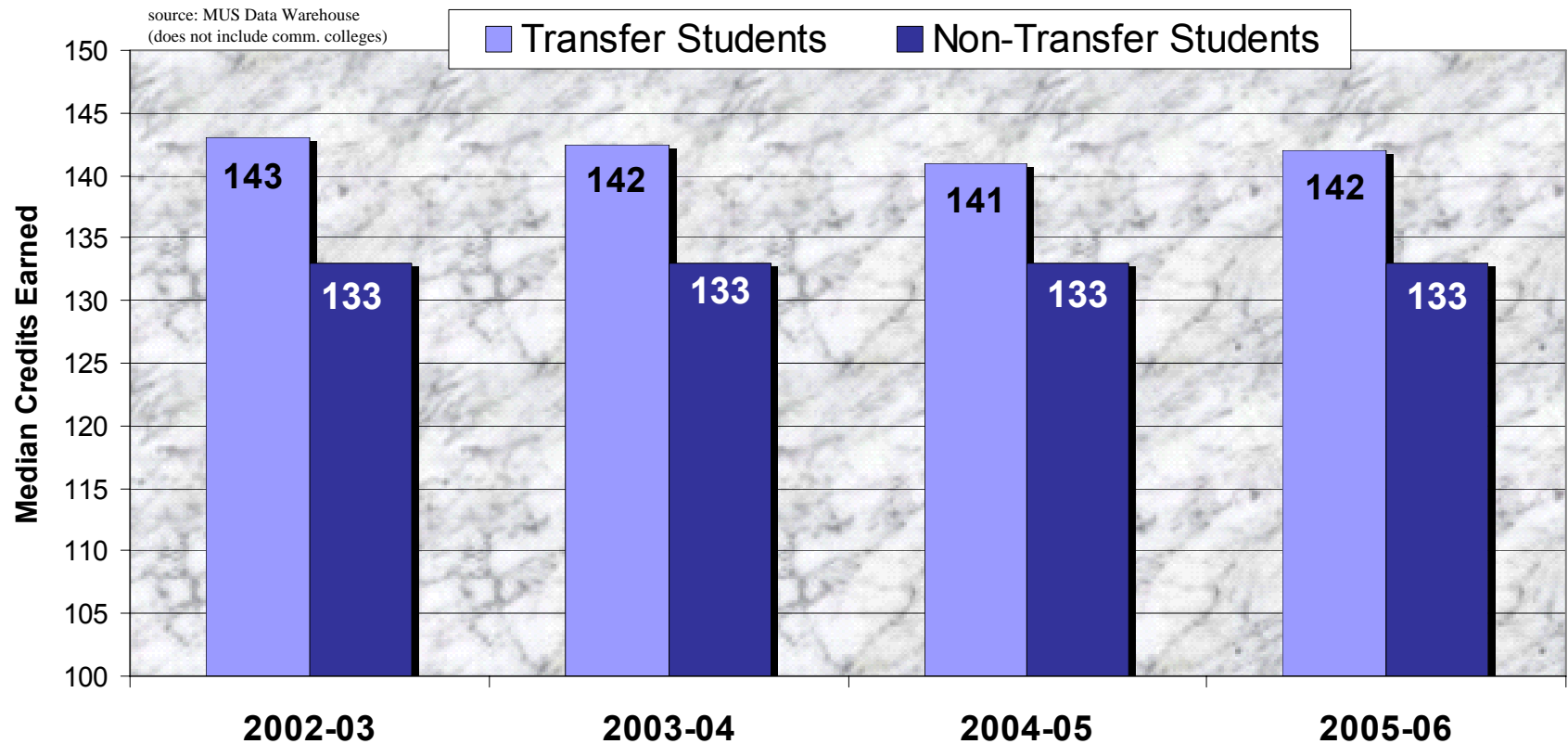


Emerging Issues & Trends

Continuing to Improve Transferability is a Priority

Total Credits Earned by Transfer vs. Non-Transfer Students

Bachelor's Degree Recipients, 2002-03 thru 2005-06



Transfer students must earn between 8 to 10 credits more in order to complete a bachelor's degree in the MUS.



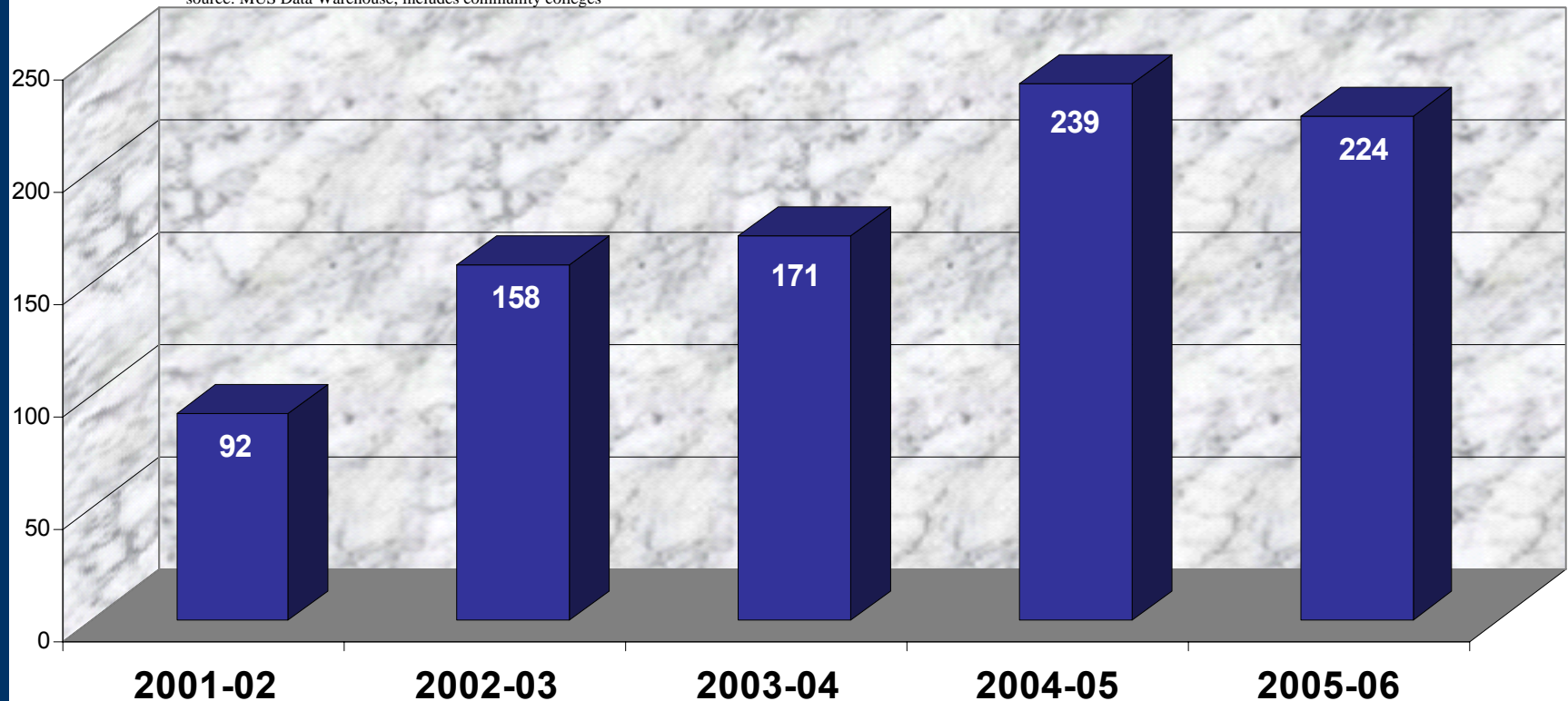
Emerging Issues & Trends

A 2-year Education Can Lead to a 4-year Degree

2-year Transition and Graduation

MUS bachelor's degree recipients that had once enrolled at a MUS "stand alone" 2-year Institution

source: MUS Data Warehouse; includes community colleges



In 2005-06, less than 5% of MUS baccalaureate degree recipients had once enrolled at 2-year "stand alone" institution. 469

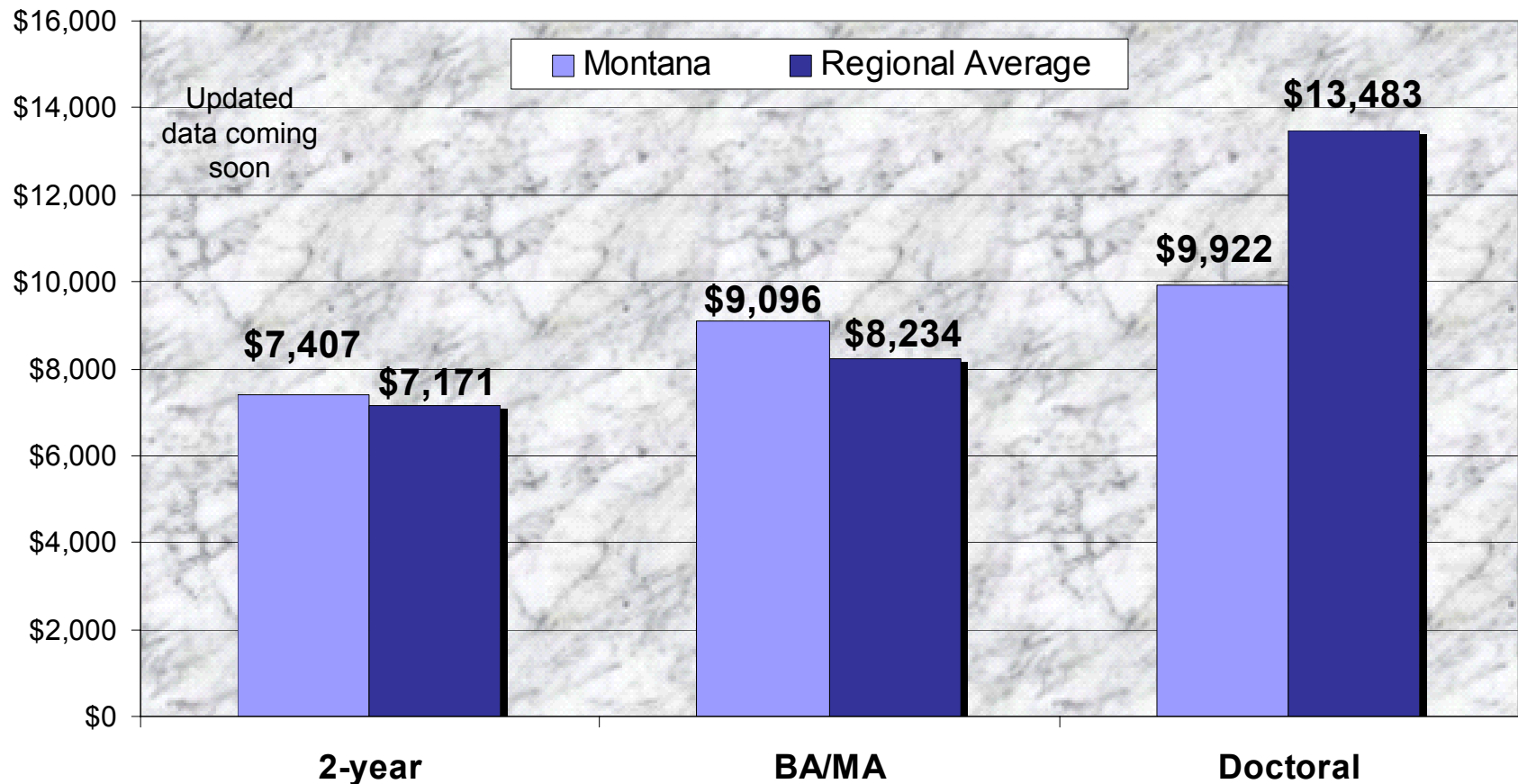


Emerging Issues & Trends

Funding Levels Vary by Type of Institution

Total Revenue per FTE by Institution Type

FY05, Public Institutions



back



2011 Budget Planning

❖ Base Funding

- Present Law (85%/15%)
- Pay Plan (85%/15%)

❖ Affordability

- State Share
- Tuition Management
- Need-based Aid



2011 Budget Planning (cont.)

❖ MUS Initiatives

- Campus Focused
 - Funding Target = approximately \$15 million total (primarily campus-based) including the community colleges
 - Quality over Quantity
- Tentative Timeline
 - December 3, 2007 – first draft submissions to OCHE
 - January 2008 – initial discussion and presentation to Board of Regents
 - March 2008 – Board review and revisions
 - May 2008 – Approval of Initiatives
- Criteria
 - Reinforce Strategic Directions
 - Support Collaboration
 - Leverage Non-state Funds



Montana University System

UNIVERSITY OF MONTANA

Missoula
MT Tech
Helena
Western

MONTANA STATE UNIVERSITY

Bozeman
Billings
Great Falls
Northern

COMMUNITY COLLEGES

Dawson
Flathead Valley
Miles

Strategic Directions

Investing in Montana's Competitive Future

www.mus.edu

Legal Services Office

**A HISTORICAL PERSPECTIVE
ON
2-YEAR POSTSECONDARY EDUCATION IN MONTANA:
"WHERE DO WE GO FROM HERE?"**

Prepared for the
Postsecondary Education Policy and Budget Subcommittee

by
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September 2007

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*Legislative
Services
Division*

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INTRODUCTION

This legal memorandum is in response to questions and inquiries from legislators and others concerning Montana's 2-year educational institutions. Some have expressed general confusion about the differences in governance and funding between Montana's colleges of technology and the state's three community college districts. Others, for example, are surprised to learn that the state's three community colleges are supervised and coordinated by the Board of Regents, but are governed by their own locally elected board of trustees. Many are unaware of the legal status of Montana's seven tribally controlled community colleges or how they fit into Montana's higher education scenario. Still others simply wonder in general why Montana's higher education system looks and functions the way it does.

The history, governance, and funding of vocational education or of the community colleges has been examined separately in previous reports. This memorandum is intended to: (1) bring together in one report the history, governance, and funding of all of Montana's 2-year postsecondary institutions; (2) provide legislators and others with answers to the questions cited above; and (3) provide the Subcommittee with a framework for discussing the future of 2-year postsecondary education in Montana.

Part I will provide a brief overview of the history and governance, mission, and funding of the vocational-technical education system and will detail its evolution into the colleges of technology that are now part of the Montana University System. Part II will examine the history and governance, mission, and funding of Montana's three community colleges. Part III will examine the background and legal relationship of Montana's tribally controlled community colleges and their role in Montana's higher education system. Part IV will pose some general and specific questions regarding the strategic plan for 2-year postsecondary education in Montana.

This memorandum is not intended to be an exhaustive analysis of the history of colleges of technology, community college districts, or tribal community colleges, but rather is intended to provide an overview of the history, governance, and funding of Montana's 2-year postsecondary institutions and the pertinent legal issues related to those institutions.

PART I EVOLUTION OF VOCATIONAL-TECHNICAL EDUCATION INTO MONTANA'S COLLEGES OF TECHNOLOGY

A. History and Governance

Growth in vocational education in all states, including Montana, was triggered by passage of federal legislation beginning in the mid-1800s.¹ In 1862, the Morrill Act established land grant colleges to prepare students for the "agricultural and mechanical arts" and provided the foundation for the federal interest in vocational and technical education.² Following the Morrill Act, Congress continued to enact legislation aimed at encouraging state involvement in vocational education below the baccalaureate degree. The Smith-Hughes Vocational Education Act, enacted in 1917, provided a continuing appropriation for vocational education in agriculture, trades and industry, and homemaking and for teacher training in each of those fields.

Encouraged by acts of Congress, Montana's involvement in vocational education occurred in three major phases.³ Beginning in 1919, phase one emphasized secondary vocational education and teacher training. The Legislature established a governance system that authorized the State Board of Education to cooperate with school districts and county school boards in the establishment and maintenance in the public elementary and public high schools of courses in vocational training in agriculture, trades and industries, and home economics.⁴ Between 1919 and 1939, phase two authorized school districts to establish postsecondary vocational education offerings. The 1939 Legislature authorized the State Board of Education to designate applicant high schools as vocational training centers.⁵ Students between the ages of 16 and 21 were eligible to attend the centers on a nontuition basis, but counties without centers paid for attendance of their students at vocational training centers. This marked the beginning of postsecondary vocational education training centers in Montana.

The Board quickly designated Glasgow, Custer County, and Helena High Schools as vocational training centers, with Havre High School being designated in 1940 and Cut Bank High School receiving designation in 1942.⁶ In anticipation of federal legislation changing the criteria for selecting area vocational schools, the Board rescinded center designation for Glasgow, Custer County, Havre, and Cut Bank High Schools in 1963, leaving Helena High School as the lone vocational center.⁷ The 1967 Legislature modified the language of 1939 for vocational center designation by broadening the category of school districts and institutions that could apply for designation as an area vocational technical school.⁸

In response to Congress's passage of the Vocational Education Amendments of 1968 and increased federal support, the 1969 Legislature began phase three by focusing on two issues: (1) the size of the postsecondary vocational-technical system; and (2) how to finance it. The

debate on the number of vocational education centers proved to be a donnybrook. The State Board of Education had already designated five centers, but the Legislature had to deal with heavy lobbying from Kalispell, Glendive, Bozeman, and other smaller towns that wanted designation. Several attempts were made to limit center proliferation. In 1969, House Bill No. 481 attempted to restrict center designation to counties having a tax base of \$75 million, which would have restricted designation at that time to only three centers, with others added as needed.⁹ However, to gain support for the vocational-technical education system, the \$75 million minimum tax base was reduced to \$45 million, ensuring that all five previously designated centers would remain qualified.¹⁰

House Bill No. 481 also established the Board of Education as the sole state agency for governing vocational education, as required by federal law, and redesignated the Superintendent of Public Instruction as executive officer for vocational education for the purposes of administering state and federal laws and regulations. The bill also enabled any school district, community college, or unit of the Montana University System to establish vocational courses that would be eligible for state or federal vocational education funds upon approval of the Board of Education, provided for a legislative appropriation, federal funds, and a 1-mill countywide levy in all counties where postsecondary vocational centers were located, and allowed postsecondary vocational-technical centers to charge fees for equipment and materials, but prohibited tuition for Montana residents.

Adoption of the 1972 Constitution replaced the Board of Education with a Board of Regents and a Board of Public Education, which together comprised the State Board of Education "responsible for long-range planning, for coordinating and evaluating policies and programs for the state's educational system" and provided that "it shall submit unified budget requests". While the Constitution assigned the governance and control of the Montana University System to the Board of Regents and the general supervision of the public school system to the Board of Public Education, it left it to the Legislature to decide which of the boards would govern the community colleges and the postsecondary vocational-technical centers. The 1973 Legislature assigned the community colleges and university system vocational education programs to the Board of Regents and designated control over high school and vocational-technical center education to the Board of Education.¹¹ The 1975 Legislature attempted to resolve vocational education's "dual governance" issue by designating the State Board of Education as the State Board of Vocational Education.¹² Under the legislation, a committee within the State Board of Education would administer all vocational education and hire an executive officer. The Board of Public Education challenged the constitutionality of House Bill No. 566, and the Montana Supreme Court ruled it unconstitutional on the grounds that the State Board of Education's functions are limited to long-range planning, coordination, and evaluation and do not extend to administering vocational education.¹³

In 1977, a legislative attempt to place all levels of vocational education under the Board of Public Education failed and led to an interim study on the question of governance of all vocational education.¹⁴ The interim study recommended two options, both of which placed the governance of the vo-techs under the Board of Regents. One model created a state system, while the other created a governance structure similar to that of the community colleges.¹⁵ The 1979 Legislature, following extensive debate on both options, finally placed state administration of the

vocational-technical centers under the Superintendent of Public Instruction, with local high school districts retaining certain duties over their own vo-techs.¹⁶ The decision was influenced by the fact that the Board of Regents had voted against an interest in governing the vo-techs, while the Board of Public Education had lobbied for total control or none at all. Moreover, local districts lobbied to retain an interest in the vocational-technical centers. The system remained somewhat unchanged until 1987, when the governance of vocational-technical education was transferred to the Board of Regents.¹⁷ Vo-tech employees became employees of the Board of Regents,¹⁸ and the money generated by the vo-tech levy was placed under the control of the Board of Regents instead of the local school districts.¹⁹

In 1994, the Board of Regents began a restructuring of the Montana University System, with discussions centered on two alternative proposals: one for a "Two-University Model", favored by the Regents, which proposed moving the "Vo-Ed Centers" into the University System versus a proposal for a "Two-Year System", supported by the community colleges and vocational-technical centers, which advocated the creation of a 2-year system made up of the eight 2-year institutions currently in operation.²⁰ In a position paper submitted to the Board of Regents, supporters of the "Two-Year System" voiced concern that the "Two-University Model" would, among many concerns, result in "mission drift" or the loss of appropriate emphasis on associate-degree-level occupational and technical education and would perpetuate an attitude that, compared to the 4-year units, course work at a technical or community college was somehow "second-class".²¹ The report urged the Board of Regents to delay the inclusion of the vocational-education centers in the University System until the 1995 Legislature had an opportunity to consider the issue of a 2-year system or, in the alternative, to fold all of the current 2-year institutions, including the community colleges, into the "Two-University Model" at the same time.²²

In the end, the Board of Regents decided in 1994 to adopt the "Two-University Model", which was designed to "achieve a single, unified system of higher education with a totally integrated approach, not merely a collection of separate units".²³ The restructuring process moved the vocational-technical centers into the University System as "colleges of technology", with a purpose of enhancing 2-year educational programs and the goals of ensuring a better fit between students and programs and providing statewide access.²⁴ As a general rule, restructuring allowed the technology and 2-year program students to have access to all services previously available only to 4-year students. In Missoula, for example, restructuring provided college of technology students with access to the residence halls and family housing, expanded career assistance and placement services, student health services, and all campus facilities.

Following the restructuring by the Board of Regents, the 1995 Legislature, at the request of the Board, enacted Senate Bill No. 156, which amended state law to incorporate the five vocational-technical education institutions into the University System.²⁵ The colleges located in Billings and Great Falls were affiliated with and administered by Montana State University, and the colleges in Butte, Helena, and Missoula became affiliated with and administered by the University of Montana.²⁶

B. Mission

Prior to the restructuring of the University System in 1994-1995, the statutory purpose for colleges of technology was to provide courses that recognize the present and future needs of employers and to provide qualified graduates for positions for which there was a demand.²⁷ The colleges were market-oriented, generally training workers to do specific jobs needed in the community or state at a lower cost than that at the 4-year institutions. The colleges also provided continuing training as technology changed. Historically, the colleges of technology offered certificates or associate of applied science degrees for specific vocations, rather than associate of arts degrees designed to provide transfer credits to a 4-year college or university. After the restructuring of the University System in 1994-1995, however, the colleges of technology began to focus on offering a 2-year curriculum with credits acceptable to all units of the University System. The mission of the colleges of technology has become more closely aligned with that of the community colleges as the colleges of technology are increasingly offering general education, developmental education, transfer of credits to other units of the University System, and continuing education classes. While the colleges of technology continue to provide "workforce development" training as a major portion of their focus, they appear to be moving toward becoming more similar to the 2-year community colleges.

C. Funding

Along with the issue of how many vocational-technical centers to support came the issue of how to provide financial support. Prior to 1969, students between the ages of 16 and 21 were eligible to attend without paying tuition and were counted in the average number belonging (ANB) formula.²⁸ State aid at this time was fixed on a per-student basis. Those counties without centers were required to pay tuition for attendance of their students at the centers. However, many believed that this system of financial support for the vocational-technical system was unsatisfactory. Rural counties without vocational-technical centers felt that requiring tuition payments for their students who attended centers was a financial burden.²⁹ While some believed that postsecondary vocational education students should not be counted in the state's ANB formula, others felt that the ANB, state, and federal aid did not cover costs, especially since students over the age of 21 could not be counted in the state's ANB formula.³⁰ As a result, school districts with centers feared that the pre-1969 financing system would cause soaring increases in tuition, driving students away and further restricting postsecondary vocational-technical education opportunities.³¹

In 1969, when the vocational-technical centers were under the authority of the local school boards and the Superintendent of Public Instruction, the Legislature authorized a 1-mill levy in the identified five counties.³² In 1979, the levy was increased to 1.25 mills for that calendar year and to 1.5 mills for 1980 and thereafter.³³ In 1987, when the governance of vocational-technical education was transferred to the Board of Regents, the levy remained at 1.5 mills but was made mandatory.³⁴ After the University System was restructured in 1995 to incorporate the vocational-technical institutions into the system as colleges of technology, the five-county, 1.5-mill levy was reenacted with the provision that the funds from the mill levy were required to be deposited in the general fund and distributed for vocational-technical education on the basis of budgets approved by the Board of Regents.³⁵

Following the incorporation of the vocational-technical institutions into the University System, the legality of continuing the 1.5-mill levy was raised on several occasions in 1998 before the Joint Committee on Postsecondary Education Policy and Budget.³⁶ At its May 18, 1998, meeting, Greg Petesch, Legislative Services Division Legal Counsel, informed the Committee that while the 1.5-mill levy statute was considered constitutional until challenged, the imposition of a 1.5- mill levy on five counties to support particular institutions within the University System could be subject to challenge on the grounds that the state was violating the uniformity of taxation requirement, as applied to property taxation, within the context of equal protection of laws as required by the Montana and United States Constitutions by levying disparate numbers of mills on taxable property within a taxing jurisdiction.³⁷ However, because the Board of Regents and the University System were in the midst of a 6-mill levy campaign, which had assured voters that renewal of the levy would not constitute a property tax increase,³⁸ no changes in the current funding structure were proposed. In July 1998, the Subcommittee was provided with an alternative opinion, prepared by LeRoy Schramm, Chief Legal Counsel for the Commissioner of Higher Education, defending the constitutionality of continuing of the local 1.5-mill levy.³⁹

In the 1999 Legislative Session, legislation was introduced to eliminate the 1.5-mill levy in those counties in which a college of technology was located.⁴⁰ The bill passed the Montana House of Representatives, but was tabled in the Senate Finance and Claims Committee. Consequently, an action was filed on December 20, 1999, by two Cascade County taxpayers against the Montana Department of Revenue, the Cascade County Treasurer, and the Cascade County Commissioners, alleging that section 20-25-439, MCA, which imposes the 1.5-mill levy on taxpayers of Cascade, Lewis and Clark, Missoula, Silver Bow, and Yellowstone Counties for the support of the state's vocational-technical education program, violates the equal protection, due process, and tax equalization provisions of the 5th and 14th Amendments to the United States Constitution, Article II, sections 4, 7, and 29, of the Montana Constitution, and Article VIII, sections 1 and 3, of the Montana Constitution.⁴¹ The taxpayers asked the District Court to declare section 20-25-439, MCA, unconstitutional under both the federal and state constitutions, to order the county commissioners of the five affected counties to cease levying the 1.5 mills, to order the county treasurers, the Department of Revenue, or the Board of Regents to return to taxpayers all taxes unlawfully collected under the provisions of section 20-25-439, MCA, to award attorney fees and court costs, and to assess a pro rata share of their attorney fees and costs against either the state or the taxpayers of the counties that are benefited by the litigation.

On August 29, 2001, the District Court in Cascade County upheld the 1.5-mill levy, ruling that the colleges of technology directly benefit the local community by enhancing workplace skills of county residents and thereby making a contribution to each county's economy wholly disproportionate to the rest of Montana.⁴² On appeal, the Montana Supreme Court affirmed the District Court decision, ruling that the attendance by local residents and the course offerings served as a rational basis for putting the five counties with vo-techs in a separate class for purposes of the vo-tech levy.⁴³ The 1.5-mill levy continues to be levied in the five counties in which the colleges of technology are located.

PART II MONTANA'S COMMUNITY COLLEGES

A. History and Governance

By the mid-1970s, enrollment in 2-year public community colleges was booming with California, Texas, Illinois, and New York accounting for 50% of the enrollees. By 1977, California alone had more than 1 million students enrolled in 2-year community colleges, which accounted for 27% of the national total. Compared to other states, community college growth in Montana was slow and evolutionary.

Miles Community College was organized in 1939 as Custer County Junior College, while Dawson County Junior College opened 1 year later in 1940. Both operated as extensions of local high schools and both were governed by their local high school boards. For 20 years, growth at both colleges was slow. In 1957, for example, Custer County Junior College enrolled only 37 students for credit classes and the campus consisted of the former Milwaukee Railroad Depot Building and rented classrooms nearby.

The 1960s marked a period of institutional development for Montana's community colleges. In response to community college legislation passed by the 1965 Legislature,⁴⁴ both Miles and Dawson Colleges ceased being governed by local high school boards. The 1965 legislation authorized local voters to request the formation of a community college district by filing with the State Board of Education a petition signed by at least 20% of the qualified registered electors residing in the county or within the proposed community college district. Once a valid petition was filed, the Board was required to order an election on the proposed community college district at the next annual school election.⁴⁵ While each community college district had a locally elected board of trustees, the State Board of Education was responsible for establishing the role of 2-year colleges in Montana, for supervising community college districts formed under the 1965 Act and any junior colleges formed prior to the Act, and for adopting uniform policies, minimum entrance requirements, uniform curriculum, and accreditation standards.⁴⁶

In 1966, the name of Custer County Junior College was changed to the Miles Community College, and in 1967 the college moved to new facilities at the current campus location with funding from federal grants and local matching funds.⁴⁷ The electors of Flathead County voted in 1967 to create a community college district. Unlike Miles and Dawson, Flathead Community College was never under the jurisdiction of the local high schools. In 1970, Miles Community College established an independent community college district with an elected local board of trustees. As a result, 1970 marked the first time when all three community colleges in Montana operated as entities separate from local high school boards.⁴⁸

In 1971, Senate Bill No. 236, amended the 1965 law to require proposed community college districts to be *approved* by the Legislature upon the recommendation of the regents.⁴⁹ Prior to 1971, there was no requirement that districts be approved by the Legislature. Rather, the Superintendent of Public Instruction simply certified the election results to the State Board of Education. The 1971 amendment, however, did not specify the timing of the approval nor the "vehicle" for legislative approval. The 1971 legislation also gave the Board of Regents legal

authority for some aspects of community college governance. A year later, the 1972 Constitution authorize the Board to supervise and coordinate public educational institutions assigned by law.⁵⁰ Appointment by the Board of Regents of a Commissioner of Higher Education in 1973 lead to written policy development relating to community college governance.⁵¹

By 1975, community colleges were unique, separate institutions, separate from both K-12 and the University System programs. At the same time, the laws governing community colleges remained rooted in the laws governing K-12 education. The 1979 Legislature attempted to clarify the statutes governing community colleges by combining all the statutory guidelines concerning community colleges into Title 20, chapter 15, MCA. In 1983, Lincoln County voted to create a community college extension center of the Flathead Valley Community College to serve the residents of Lincoln County. In 1984, Flathead Valley Community College added the Glacier Institute Program in Glacier Park and a campus in Lincoln County to provide classes to Lincoln County residents.

When the Montana University System was in the process of restructuring in 1994, there was anticipation that the community colleges would become part of the Montana University System. In a letter to Commissioner of Higher Education Jeff Baker, President Dennison commented on the University of Montana's active participation in an effort to bring the three community colleges into the restructured system to ensure the achievement of goals of restructuring and the emphasis upon 2-year education, while President Malone of Montana State University, in a similar letter, commented on the likelihood that the two community colleges in the lower Yellowstone Valley would be integrated into the Montana State University.⁵² As noted in the College of Technology history and governance section, in a position paper written in 1993 on behalf of the community colleges and vocational-technical centers, 2-year academic leaders were also urging the Board of Regents to consider the establishment of a 2-year system that would include both the community colleges and the vocational-education centers.

Although the Board of Regents ultimately chose the "Two-University Model" and officially incorporated the vocational-educational centers into the Montana University System, questions concerning the merging of Montana's three community colleges into the Montana University System continued during the 1998 interim. The Subcommittee on Community Colleges, created by the Joint Committee on Postsecondary Education Policy and Budget (PEPB), considered and prepared recommendations for the full PEPB Committee concerning possible changes in community college governance and funding.⁵³ The Subcommittee requested that the PEPB Committee recommend to the 1999 Legislature that it:

- (1) levy a 2-mill statewide property tax to fund 2-year education that would replace the 1.5-mill college of technology levy, the college of technology nonlevy revenue, and the nonlevy revenue that would support the community colleges if they became part of the University System;
- (2) restrict the use of the 2-mill levy to the support of 2-year postsecondary education in the colleges of technology and community colleges;
- (3) provide a line item appropriation for an assistant deputy commissioner for 2-year postsecondary education in the Commissioner of Higher Education's Office; and
- (4) "voluntarily" merge, *with approval of the Board of Regents*, the community colleges

into the Montana University System.

The Subcommittee made no recommendations to the PEPB Committee on whether the local boards of trustees should be maintained if the community colleges were merged into the University System or how they might function and made no recommendation on whether the ownership of the community college facilities should be assumed by the state if a merger occurred. In the end, no action was taken on the Subcommittee's work.

When the 1971 Legislature enacted the community college statutes, now codified in Title 20, chapter 15, it basically "grandfathered in" the three existing community colleges. Between 1971 and 2006, the Legislature received no requests to "approve" the creation of a new community college district, and the Legislature has primarily focused its attention on the funding of Montana's three existing community colleges. As a result, the procedure requiring prior legislative approval for the creation of a new community college district has never been implemented. In 2006, however, a group of Bitterroot Valley residents proposed the establishment of a new community college district in Ravalli County. A Bitterroot Valley Community College Exploratory Committee was established in February 2006 to educate Ravalli County residents about the services, benefits, and costs of a public community college and the legal procedure that must be followed to establish a community college.⁵⁴ In the alternative, the University of Montana-Missoula proposes to construct a branch campus of the University of Montana's College of Technology in Hamilton, Montana, sized to accommodate 175 full-time equivalent (FTE) students to offer University of Montana degree programs currently available through the College of Technology as well as other colleges and schools of the University.⁵⁵

In order to establish a community college district in Montana, a county must meet three requirements:

- (1) the proposed district must coincide with preexisting, contiguous elementary school district boundaries;
- (2) the taxable value of the proposed district must be at least \$10 million; and
- (3) 700 pupils must be regularly enrolled in public and private high schools located within the proposed district.

Ravalli County, which has seven contiguous school districts, a taxable valuation of over \$62 million, and six public high schools with a combined enrollment of over 2,100 students, met the statutory requirements of section 20-15-201, MCA, and subsequently filed a petition with the Board of Regents signed by the required minimum of 20% of registered voters.⁵⁶ Pursuant to section 20-15-203, MCA, the Board of Regents, upon determining that the petition complied with state law, ordered an organizing election on May 8, 2007. On May 8, 2007, the voters in Ravalli County approved the creation of a community college district by a 52% to 48% margin and elected seven members of a local board of trustees. The election results were certified by the Board of Regents on July 11, 2007.

As stated earlier, the 1971 amendment to section 20-15-209, MCA, provide that following the election, "approval for the organization of a new community college shall be granted *at the discretion of the legislature* acting upon the recommendation of the regents". However, the statute does not indicate the *method* of legislative approval nor whether recommendation by the

Board means after an "affirmative recommendation" or simply after any type of "recommendation". In 2007, in response to a request by the Commissioner of Higher Education for an Attorney General's Opinion on the language in section 20-15-209, MCA, the Attorney General held that section 20-15-209, MCA, provides the Legislature with *final* authority to approve creation of a new community college district after a recommendation, not approval, by the Board of Regents.⁵⁷ As a result, the 2009 Legislature will have final approval on whether the proposed Bitterroot Community College District is created and whether a general fund appropriation for the new community college is provided.

B. Mission

The community college mission has historically been broader than the mission of the vocational-technical schools (now colleges of technology). In addition to offering occupational programs, community colleges have offered general education, developmental education, transfer of credits to another unit of the University System, and continuing education classes. The community colleges in Montana provide equal opportunities, without regard to race, for students to "gain college-level skills, to complete a two-year college program, to complete the first two years of a four-year college program, to gain or upgrade job skills, and to learn for personal growth and enrichment".⁵⁸ In recent years, the community colleges have received authorization to offer more vocational programs. As a result, their missions have become two-pronged--general education and vocational training.

C. Funding

Since the establishment of the first junior college in 1939, Montana's community (or junior) colleges received their funds for annual costs as if they were Montana high schools.⁵⁹ The colleges were first funded under the system of state support for Montana public education as established in 1935 and as amended in 1937 and 1939. In 1949, Montana community colleges were placed along with other public education under the State Foundation Program. Under the State Foundation Program, community colleges received their support based upon their average number belonging (ANB). The ANB was calculated by adding the total academic and occupational credits and dividing by 10 credits per quarter. With the restructuring of the laws in 1965 to change the junior college districts to community college districts, an apparent oversight changed the method of financing to include only full-time students, which eliminated support for the large number of part-time students that attended community colleges. The 1969 Legislature corrected the oversight and returned to the ANB method of calculation that had been used prior to 1969.⁶⁰

In approving the correction in 1969, the Senate Education Committee requested that the Montana Association of Community Colleges return to the 1971 Legislative Session with a method of financing the annual costs of community colleges that would remove the colleges from the State Foundation Program.⁶¹ The Committee believed that the State Foundation Program should remain exclusively for the funding of public schools through grade 12 and that community colleges should be funded separately. As outlined in the "State Master Plan for Montana Community Colleges", the current community college funding system had four major faults:

- (1) it restricted state and local foundation program support to students under 21 years of

age;

(2) current operational financing was based upon the number of students who attended the college in the prior year;

(3) the level of funding for Montana community colleges was based on the level of funding for high schools in the state; and

(4) the effect of the first three faults required community colleges to request special levy assistance for operational costs.⁶²

Based upon the recommendations of the State Master Plan for Montana Community Colleges, and after consultation with legislators, college trustees, state officials, and other interested persons, the 1971 Legislature changed the method of financing community colleges by replacing state equalization aid with direct state appropriations. Revenue for operating budgets came from three sources:

(1) state appropriations;

(2) a 3-mill levy on the community college district; and

(3) student tuition.

The state appropriation was the total budget of the colleges minus the basic district levy and student tuition. The total budget was determined by the anticipated full-time equivalent enrollment computed as 15 quarter credits per quarter multiplied by the annual revenue schedule determined by the Legislature. Anticipated enrollment was defined as the previous year's enrollment as of October 15, plus the average percentage increase of enrollment over the previous 3 years. The Board of County Commissioners of each county in which a community college was located was required to levy an annual tax of 3 mills on the dollar of the taxable value of all taxable property within the community college district. Community colleges also received funding for vocational programs from the State Board of Education based on Board policies.

In 1975, the Legislature set a 65:35 ratio of state to local funds for the operating budgets of community colleges.⁶³ Under this model, the state objective and policy goal was that state funding would support 65% of the cost of education at each community college and the remaining 35% would be funded with local mill-levy revenue and student tuition.⁶⁴ During the 1981 biennium budget deliberations, however, the Legislature expressed concern that the "65:35" formula had gotten too complex, that the statute was "inconsistent", and that each community college was applying the calculations differently. The end result was widely varying impacts on the level of state support for each college. The legislative concern about the lack of equity in state funding led to passage of House Joint Resolution No. 58 during the 1979 Legislative Session, which funded the subsequent Legislative Finance Committee interim funding study.⁶⁵ The study recommended that the new formula should be as simple or transparent as possible so that it could be understood and applied uniformly by each college. The Legislature agreed and enacted the community college funding statutes that applied averages for all schools rather than individual cost factors for each college and average costs for all courses rather than establishing technical vs. nontechnical course cost differences. The stated goal was to equalize state support based upon FTE count without regard to course content.

As a result, the three-factor or "unit-rate" formula was adopted, which involved determining the

general fund budget for each college by multiplying:

- (1) the enrollment projections aggregated for all three colleges;
- (2) the cost of education average for each FTE student; and
- (3) the state percentage support of the cost of education.⁶⁶

The total state general fund budget was then appropriated to each community college based upon the student enrollment at each.

Enrollment projections are provided by each community college, and the Legislature has the authority to either accept those projections or make an independent calculation. Over the 25 years that this formula has been in place, the enrollment projection model has varied. For some budgets, the final projections were based on a 2-year or 3-year average, while other budgets have accepted simple projections for each fiscal year of that specific biennium. For the 2007 biennium, the Legislature used actual annual enrollment projections at each college, but approved a reversion statute in the 2001 Legislative Session that required a reversion of money to the general fund when actual enrollment falls below projections.

The original "cost of education" (COE) factor was determined in the 1983 biennium by looking at and accepting the fiscal year 1979 actual expenditures for education at each community college. This number established the COE base amount, which has been adjusted in subsequent budgets. The COE has been adjusted using a variety of methods, as recommended by the Governor's Office of Budget and Program Planning with review and approval by the Legislature. The Legislature has never adjusted the formula for inflation nor has there been any recalibration of the COE based on the actual educational costs at the community colleges.

The Legislature sets public policy and determines the level at which state funding will support community college educational costs through the state percentage support factor. Section 20-15-310, MCA, requires the percentage to be stated in the general appropriations act for each biennium. The state support has ranged from a high of 53% to a low of 46% over the 25 years that the state percentage support factor has been used.

This three-factor formula looks only at and provides funding for the current unrestricted operating fund of the community college budget. Restricted funds, such as federal grants, local voted mill levy revenue, and money raised through alumni and foundation campaigns are not considered in the three-factor formula. State funding for community colleges provides the foundation of the unrestricted operating fund, and the restricted revenue is left to the sole control of the local trustees and local taxpayers. The community colleges have received a separate legislative appropriation as part of the state pay plan. The appropriation is calculated separately from the three-factor formula to provide support to the colleges over and above the cost of education.

In 2005, the Joint Education Appropriations Subcommittee expressed continued support for the three-factor formula, but had concerns that due to inconsistent biennial adjustments and other state fiscal policy decisions, the COE factor of the formula no longer reflected the cost of education at community colleges as original intended.⁶⁷ In 2007, the Legislature enacted Senate Bill No. 12,⁶⁸ which amended section 20-15-310, MCA, to reformulate the COE factor by

establishing a fixed cost of education component and a variable cost of education component. To establish the base or annual operating budgets for each of the community colleges, the Legislature begins with the cost of education figures provided by the Commissioner of Higher Education on form 201, which each college is required to complete under section 20-15-301, MCA. The Commissioner of Higher Education includes a separate accounting schedule for each community college's current unrestricted operating funds and segregates those funds from others, including restricted, auxiliary, and capital funds.

The community college funding statute, codified at section 20-15-301, MCA, does not allow state funding to support any capital construction costs at the colleges. Historically, this policy appears to have been justified by the desire to keep the costly decisions concerning capital expenditures at the local level, subject to the oversight of local trustees and local taxpayers.

PART III MONTANA'S TRIBAL COMMUNITY COLLEGES

Montana has seven tribal community colleges, which are public institutions established on each of Montana's seven reservations by the federal government under the Tribally Controlled College or University Assistance Act of 1978 (TCCA).⁶⁹ The tribal community colleges have governing boards, with members either elected or appointed by elected tribal councils. Though they are public institutions, the colleges are not governed by the Legislature, nor are they controlled by the Board of Regents.

Each college is accredited by the Northwest Commission on Colleges and Universities, the same organization that accredits the units of the Montana University System. While tribal community colleges open their doors to both Indian and non-Indian students, the TCCA requires that tribal community colleges maintain a minimum enrollment of 51% tribal members.⁷⁰

A. Mission

Tribal community colleges were established to help tribes address their manpower needs, to help tribes maintain their culture, and to provide a postsecondary education opportunity for Indian people living on reservations.⁷¹ Tribal community colleges generally offer courses of study that result in certificates and associate degrees. The Salish Kootenai College, however, offers seven baccalaureate degrees.⁷²

B. Funding

The base funding for tribal community colleges comes from the federal government under the TCCA and is based on the number of enrolled tribal members attending a tribal college as FTE students each year. Tribal community colleges receive no federal reimbursements for students who are not tribal members. Such students, whether non-Indian or Indian, who are not eligible for enrollment in any federally recognized tribe are referred to as "nonbeneficiary" students because they do not generate any TCCA support.

Prior to 1995, nonbeneficiary students received no financial assistance from the state. To keep

tuition for nonbeneficiary students comparable with tuition for Indian enrollees and to maintain their open door admissions policy, tribes partially subsidized the tuition of nonbeneficiary students, thus allowing them to continue their educations at a lower cost. The tribal community colleges requested financial assistance from the Legislature, arguing that without state support, tribal community colleges would not be able to continue serving nonbeneficiary students without increasing student fees, which could result in students dropping out of the colleges.

In response, the 1995 Legislature approved House Bill No. 544,⁷³ which appropriated \$1.4 million to the Board of Regents to offset tribal community college subsidies for nonbeneficiary students. Because Article V, section 11(5), of the Montana Constitution prevents the Legislature from appropriating funds for any educational purpose to any private association or corporation not under the control of the state, the money was appropriated to the Board of Regents, which in return distributed the financial assistance to the seven tribal community colleges for enrolled nonbeneficiary students. The distribution to any student was limited to a maximum of \$1,500 each year for each FTE student. The bill specified that the appropriation be provided in addition to any general or lump-sum appropriation provided to the University System and required any amount of the \$1.4 million that was unspent to revert to the general fund.

Receiving a share of the \$1.4 million appropriation was contingent upon each tribal community college:

- (1) being accredited or being a candidate for accreditation by the Northwest Commission on Schools and Colleges;
- (2) entering into a state-tribal cooperative agreement pursuant to Title 18, chapter 11, with the Board of Regents to provide the Board with information relating to the eligibility of nonbeneficiary students and documentation on the tribal community college's curriculum to ensure that the content and quality of courses offered by the college were consistent with the standards adopted by the Montana University System; and
- (3) filing with the Board of Regents evidence that the college's enrollment of Indian students was at least 51% as required by the TCCA.

In addition, prior to receiving any money, each tribal community college was required to:

- (1) grant fee waivers to resident nonbeneficiary students who meet the residency requirements prescribed by the Board of Regents in the same percentage that the number of Indian students who were receiving fee waivers to attend a unit of the Montana University System bears to the total enrollment in the University System; and
- (2) subtract the costs of nonbeneficiary fee waivers granted from the total amount of prorated money distributed.

As a result of House Bill No. 544, the Board of Regents entered into contracts with tribal community colleges and provided financial assistance to approximately 589 resident nonbeneficiary students.⁷⁴ In 1997, the Legislature essentially codified House Bill No. 544 by enacting Senate Bill No. 84, which required the Board of Regents, subject to the Legislature providing a line item appropriation, to provide financial assistance to tribal community colleges for enrolled resident nonbeneficiary students.⁷⁵

In 2005, the Legislature enacted House Bill No. 16,⁷⁶ which increased the maximum amount of

money provided for nonbeneficiary students from \$1,500 to \$3,024 for each FTE student, an amount comparable to that provided by the Legislature to support each community college student. House Bill No. 16 also limited financial assistance to nonbeneficiary students enrolled in courses for which credit was transferable to another Montana college or university, except for courses related to a vocational degree program or certificate program, and eliminated the requirement to subtract the amount given in Indian fee waivers prior to distribution of nonbeneficiary waivers as that provision had never been understood or implemented.

The 2005 Legislature also increased the base funding level for nonbeneficiary student assistance to \$400,000 for the 2007 biennium and added a \$500,000 one-time-only general fund appropriation. There was also an additional \$2 million one-time appropriation to the Board of Regents for the tribal community colleges to support equipment purchases and the development of tribal history materials for use in the Indian Education for All program in the K-12 schools. Each tribal community college appointed a project director to coordinate the writing and documentation of its tribal history to provide K-12 teachers with accurate and appropriate materials for classroom use in the Indian Education for All program. By 2007, the general appropriations act budget for nonbeneficiary student assistance included \$900,000 of base funding for the 2009 biennium and an additional \$1.01 million in one-time funding, for a total of \$1.91 million to support resident nonbeneficiary students attending tribal community colleges.

PART IV CONCLUSION

Montana's current 2-year "system" of higher education consists of the colleges of technology, community colleges, and tribally controlled community colleges. The colleges of technology, formerly the vocational-technical centers, were "restructured" and incorporated, at the request of the Board of Regents, into the Montana University System in 1995. As part of the University System, the colleges of technology receive the benefits of being units of the University System. Despite the merger into the University System, the 1.5 mills imposed prior to the merger in the five counties in which the old vocational-technical centers were located to support the vocational-technical centers continues to be imposed on the counties. In upholding the validity of continuing the 1.5- mill levy, the Montana Supreme Court emphasized the colleges' contributions to enhancing the workplace skills of county residents and the contributions to the local economies of the five counties. On the other hand, community college districts, commonly referred to as "community colleges", were established by the Legislature and "assigned" to the Board of Regents under Article X, section 9(2) of the Montana Constitution, for purposes of supervision and coordination. Unlike the colleges of technology, community colleges are governed by their own locally elected boards of trustees, are responsible for their own facilities, and are funded primarily by tuition and local levies. Though tribal community colleges are public institutions with open door policies, tribal community colleges are not governed by the Board of Regents nor are they subject to the control of the Legislature. Tribally controlled community colleges are funded directly by the federal government, but do receive an appropriation provided by the Legislature to the Board of Regents to support nonbeneficiary students attending the colleges.

On several occasions, both the Board of Regents and the Legislature have considered, but not

undertaken, incorporating the community colleges into the Montana University System. Despite the continuing differences in governance and funding mechanisms, the current missions of the colleges of technology appear to be expanding to be very similar to that of the community colleges. Some have suggested that the Board drop the name "college of technology" and simply refer to all of the 2-year institutions as "community colleges". While the Board has full authority to give its units any name, referring to them as "community colleges" could create confusion with those colleges statutorily established under Title 20, chapter 15.

Upon completion of the merger, Article X, section 9(2), of the Montana Constitution, vests in the Board of Regents "full power, responsibility, and authority to supervise, coordinate, manage and control" the colleges of technology. Without approval of the Board, the Legislature has no authority to act alone to remove the college of technology units from the University System. On the other hand, the community college districts were statutory created by the Legislature (see Title 20, chapter 15, MCA) and those statutes can be amended or even repealed. Without a request from the Board, the Legislature has no authority to "merge" the community colleges into the University System. Since 1971, however, the creation of new community college districts is totally within the control of the Legislature. Section 20-15-209, MCA, while not specifically indicating how legislative approval must occur, provides that "[a]pproval for the organization of a new community college district shall be granted *at the discretion of the legislature acting upon the recommendation of the regents*". In all likelihood, the 2009 Legislature will be asked to approve and fund the creation of a community college district in Ravalli County.

Questions:

(1) Given this history of change and restructuring, what is the distinct strategic role of the 2-year institutions (colleges of technology, community colleges, tribal community colleges) within the higher education mission and strategic plan of the Montana University System?

(2) Given it's limited governance authority over the Montana University System, what role can the Legislature play in the definition of a strategic plan for 2-year education in Montana?

(3) If the missions of the colleges of technology and community colleges now similarly emphasize workforce development and a "point of entrance" for transfer into 4-year institutions:

(a) is the rationale for continuing the differing governing and funding structures still valid; and

(b) is the Court's "local mission" rationale for the 1.5-mill county levy on the five counties where the colleges of technology are located still valid?

(4) Should the PEPB Subcommittee recommend to the Education and Local Government Interim Committee that it sponsor legislation to clarify the language and procedures of section 20-15-209, MCA, to state that "final" approval shall be granted by the legislature "by joint resolution" in regards to the proposed Bitterroot Valley Community College?

(5) Should the PEPB Subcommittee recommend to the Education and Local Government Interim Committee any changes to the present line item appropriation to support tuition for nonbeneficiary students attending tribally controlled community

colleges as part of a 2-year higher education strategy?

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Endnotes

1. Postsecondary Vocational-Technical Education Governance, A Report to the Forty-Sixth Legislature, Subcommittee on Education, Montana Legislative Council, November 1978.
2. Ibid. p. 9.
3. Ibid. p. 14.
4. Section 2, Ch. 192, L. 1919.
5. Section 1, Ch. 160, L. 1939.
6. Postsecondary Vocational-Technical Education Governance: A Report to the Forty-Sixth Legislature, Subcommittee on Education, Montana Legislative Council, November 1978, p. 12.
7. Ibid.
8. Ibid.
9. Postsecondary Vocational-Technical Education Governance: A Report to the Forty-Sixth Legislature, Subcommittee on Education, Montana Legislative Council, November 1978, p. 13.
10. Ibid.
11. House Bill No. 21, Ch. 344, L. 1973.
12. House Bill No. 566, Ch. 434, L. 1975.
13. Board of Public Education v. Judge, 167 Mont. 261, 538 P.2d 11 (1975).
14. House Joint Resolution No. 100, L. 1977.
15. Governance and Funding of Montana's Vo-Tech Centers: Options for Change, A Report to the 50th Legislature, Joint Interim Subcommittee on Vo-Techs/Job Training, November 1986, p. 6.
16. House Bill No. 634, Ch. 598, L. 1979.
17. House Bill No. 39, Ch. 658, L. 1987.
18. House Bill No. 39, Sec. 5, Ch. 658, L. 1987.
19. House Bill No. 39, Sec. 18, Ch. 658, L. 1987.

20. "Establishment of a Two-Year System of Community and Technical Colleges", A Position Paper Prepared on Behalf of the Community Colleges and Technical Centers For Consideration By The Commissioner's Office and Board of Regents In Restructuring of The Montana Higher Education System, December 30, 1993.
21. Ibid. pp. 4-5.
22. Ibid. p. 4.
23. Report Card Letter from Commissioner of Higher Education Jeff Baker to Presidents George Dennison and Michael Malone, Nov. 9, 1994, provided in 1995 testimony to the 1995 Legislative Session.
24. Ibid.
25. Senate Bill No. 156, Ch. 308, L. 1995.
26. Ibid and Report Card Letter from Commissioner of Higher Education Jeff Baker to Presidents George Dennison and Michael Malone, December 20, 1994, provided in 1995 testimony to the 1995 Legislative Session.
27. See Title 20, chapter 16, Montana Code Annotated (repealed by Senate Bill No. 156, Ch. 308, L. 1995).
28. Postsecondary Vocational-Technical Education Governance: A Report to the Forty-Sixth Legislature, Subcommittee on Education, Montana Legislative Council, November 1978, p. 12.
29. Ibid., p. 13.
30. Ibid.
31. Ibid.
32. House Bill No. 481, Sec. 9(2), Ch. 250, L. 1969.
33. House Bill No. 634, Sec. 4, Ch. 598, L. 1979.
34. House Bill No. 39, Sec. 18, Ch. 658, L. 1987.
35. Senate Bill No. 156, Sec. 34, Ch. 308, L. 1995.
36. "Background and Legal Analysis of Vocational-Technical Education Funding in Montana, Eddy McClure, Montana Legislative Services Division, 2000 (hereinafter Background), p. 4.
37. Background, pp. 4-5; see also, January 23, 1996, letter from Greg Petesch, Legal Counsel, Montana Legislative Services Division, to Senator Bob Brown outlining the

uniformity of taxation requirement for taxpayers on like property.

38. Background, p. 5.
39. Ibid.
40. House Bill No. 433, 1999 Legislature.
41. Kottel v. State of Montana, et al., Cause No. CDV-99-1356(a), Eighth Judicial District (2001).

The 5th Amendment of the United States Constitution provides:

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentation or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger, nor shall any person be subject to the same offense to be twice put in jeopardy of life and limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

The 14th Amendment of the United States Constitution, in part, provides:

Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; **nor shall any state deprive any person of life, liberty, or property, without due process of law**, nor deny to any person within its jurisdiction the equal protection of the laws.

Article II, sections 4, 17, and 29, of the Montana Constitution, in part, provide:

Section 4. Individual dignity. The dignity of the human being is inviolable. No person shall be denied the equal protection of the laws.

Section 17. Due process of law. No person shall be deprived of life, liberty, or property without due process of law.

Section 29. Eminent domain. Private property shall not be taken or damaged for public use without just compensation to the full extent of the loss having been first made to or paid into court for the owner. In the event of litigation, just compensation shall include necessary expenses of litigation to be awarded by the court when the private property owner prevails.

Article VIII, section 3, of the Montana Constitution, provides:

Section 3. Property tax administration. The state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.

42. Ibid.
43. Kottel v. Montana Dept. of Revenue, et al., 2002 MT 278, 312 Mont. 387, 60 P.3d 403 (2002).
44. House Bill No. 37, Ch. 274, L. 1965.
45. House Bill No. 37, Sec. 4, Ch. 274, L. 1965.
46. House Bill No. 37, Sec. 2, Ch. 274, L. 1965.
47. Miles Community College website, Major Historical Milestones @ www.milesc.edu.
48. "Community College Governance", A Report to the Forty-Sixth Legislature, Subcommittee on Education, Montana Legislative Council, November 1978, p. 7.
49. Section 75-8112, R.C.M., 1947, now codified at 20-15-209, was actually a combination of three different bills passed by the 1971 Legislature: Senate Bill No. 1, Sec. 459, Ch. 5, L. 1971; House Bill No. 221, Sec. 1, Ch. 164, L. 1971; and Senate Bill No. 236, Sec. 2, Ch. 407, L. 1971.
50. Article X, section 9(2)(a), 1972 Montana Constitution.
51. "Community College Governance", A Report to the Forty-Sixth Legislature, Subcommittee on Education, Montana Legislative Council, November 1978, p. 7.
52. Report Card letter from President George Dennison, President of the University of Montana, to Jeff Baker, Commissioner of Higher Education, December 20, 1994, p. 9, and Report Card Letter from President Mike Malone, President of Montana State University, to Jeff Baker, Commissioner of Higher Education, December 15, 1994, p. 7.
53. See memorandum from Sandy Whitney, Senior Fiscal Analyst, Montana Legislative Fiscal Division, to the Joint Committee on Postsecondary Education Policy and Budget, August 20, 1998.
54. Fact sheet produced by The Bitterroot Valley Community College Exploratory Committee.
55. "Bitterroot Valley Community College Proposal", A briefing paper submitted by Dr. Arlene Parisot, Coordinator of Community Colleges, to the Board of Regents (September 2006).
56. Ibid.

57. 52 A.G. Op. 1 (2007).
58. "Two Year Education", A Report Prepared for the Joint Committee on Postsecondary Education Policy and Budget by Sandy Whitney, Senior Fiscal Analyst, Legislative Fiscal Division, October 10, 2007, p. 2.
59. "Financing Montana Community Colleges", A Report to the 1971 Montana State Legislature by the Montana Association of Community Colleges.
60. House Bill No. 136, Ch. 325, L. 1969.
61. "Financing Montana Community Colleges", A Report to the 1971 Montana State Legislature by the Montana Association of Community Colleges, pp. 3-4.
62. Ibid.
63. "Community College Funding Formula Study: The Cost of Education (COE) Factor", A Report Prepared for the Legislative Finance Committee by Alan Peura, Associate Fiscal Analyst, Legislative Fiscal Division (March 2006).
64. Ibid.
65. Ibid., p. 4
66. Ibid., pp. 4-5.
67. Ibid., p. 7.
68. Senate Bill No. 12, Ch. 493, L. 2007.
69. 25 U.S.C. 1801, et seq.
70. 25 U.S.C. 1804.
71. Testimony of Joe McDonald, President of Salish Kootenai College, before House Education Committee, January 10, 2005, in support of House Bill No. 16.
72. Salish Kootenai College website @ www.sk.edu/academics.html; Bachelor of Arts Degrees in Business/Entrepreneurship and Social Work; Bachelor of Science Degrees in Computer Engineering, Environmental Science, Forestry, Information Technology, and Nursing.
73. House Bill No. 544, Ch. 431, L. 1995.
74. See preamble to Senate Bill No. 84, Ch. 362, L. 1997.
75. Senate Bill No. 84, Ch. 362, L. 1997, codified at 20-25-428, MCA.

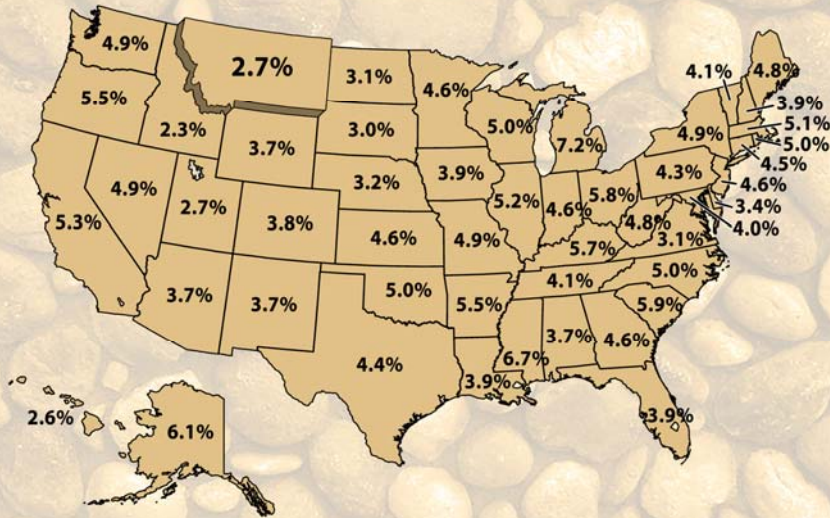
76. House Bill No. 16, Ch. 147, L. 2005.

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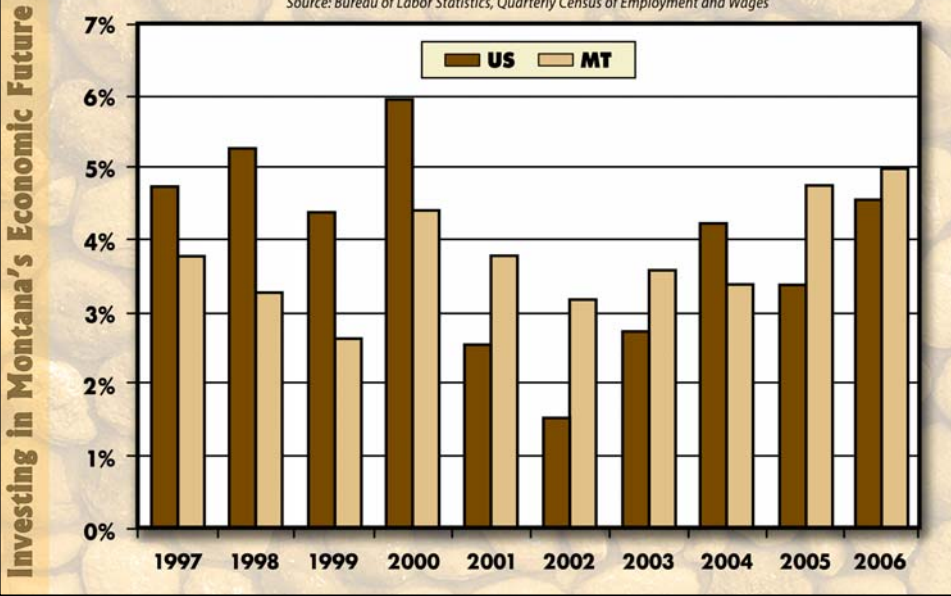
State Unemployment Rates: July 2007

Source: Bureau of Labor Statistics



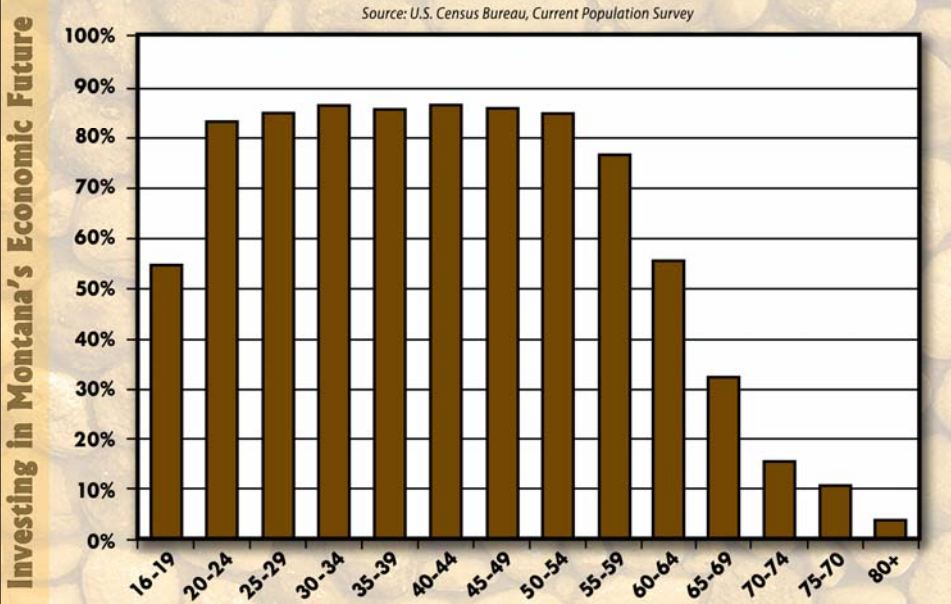
U.S. and Montana Change in Annual Average Wages: 1997 - 2006

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages



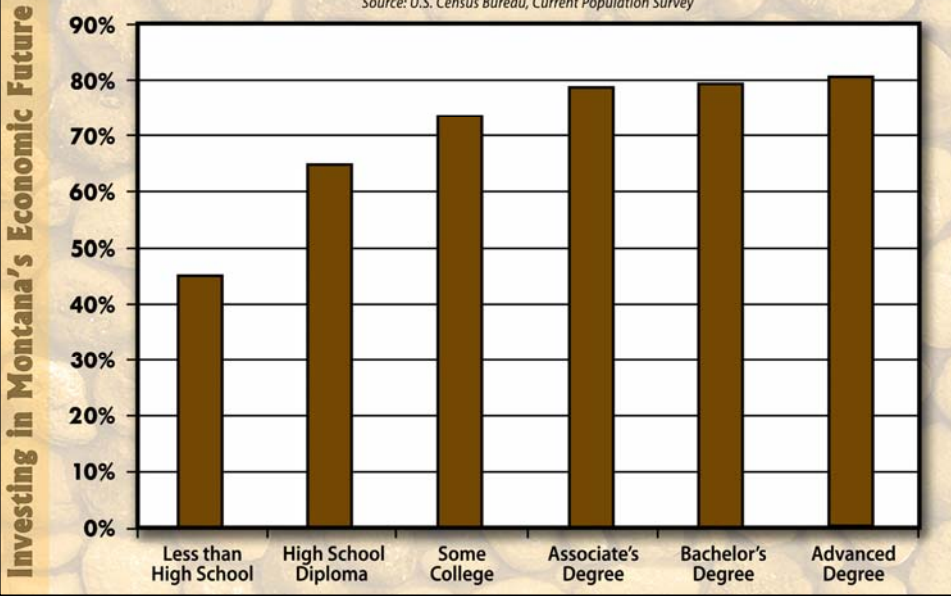
Labor Force Participation Rates by Age: June 2007

Source: U.S. Census Bureau, Current Population Survey



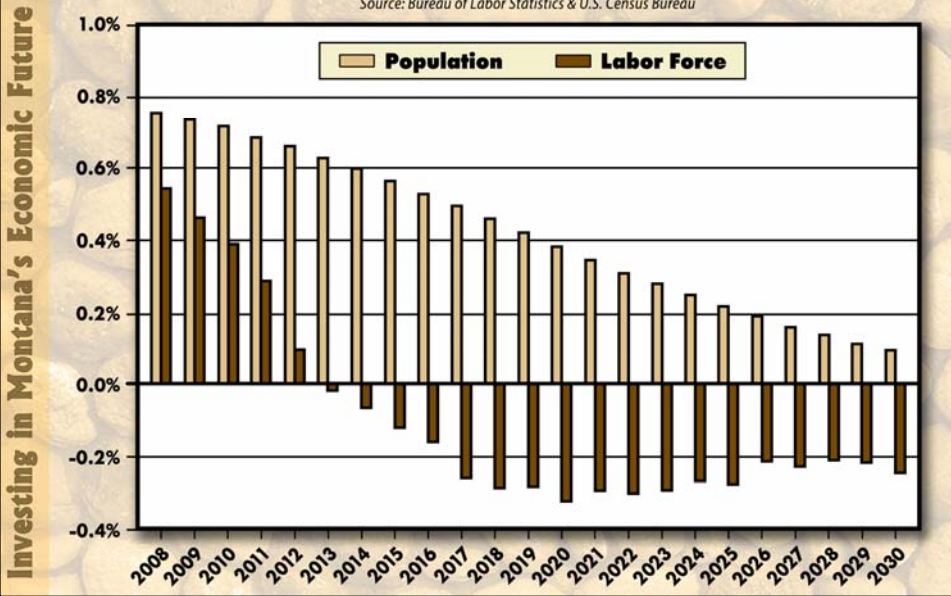
Labor Force Participation Rates by Educational Attainment: June 2007

Source: U.S. Census Bureau, Current Population Survey



Projected Change in Population and Labor Force: 2007-2030

Source: Bureau of Labor Statistics & U.S. Census Bureau



What is Higher Education's Role?

- Increasing graduates = Increasing labor force participation rates
- Educated workers are more productive
- Improving graduate retention through better linkages to the labor market will lessen the effects of baby boomer retirements