

March 4-5, 2010

ITEM 146-107-R0310

**Deferred Compensation Plan; MSU- Bozeman**

**THAT**

The Board of Regents of Higher Education directs that all necessary steps be taken by the appropriate university officials and the commissioner of higher education to implement a deferred compensation plan covering President Waded Cruzado of Montana State University.

**EXPLANATION**

The Board of Regents previously communicated its intent to develop and implement a deferred compensation plan for the recently hired president of Montana State University.

Board of Regents staff have developed a partnership arrangement with the MSU Foundation to fund the deferred compensation plan in a manner that will result in net long-term financial benefit for the MSU Foundation.

The plan provides that, in exchange for a minimum of five years of service as president and other specified conditions, the university will provide a \$50,000 annual payment for a ten-year period, beginning at age sixty-five of the recipient. The plan will be funded through the MSU Foundation's investment in a life insurance policy covering the life of President Cruzado. Policy premium payments will be paid from MSU Foundation operational funds and will not impact MSU Foundation gifts that support the ongoing mission of the university. The MSU Foundation will be the beneficiary of the policy. No taxpayer or public funds or foundation scholarship funds will be used in this arrangement.