



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

SCHEDULE OF EVENTS
BOARD OF REGENTS MEETING
February / March 2007

WEDNESDAY, February 28, 2007

- 12:00 P.M. Regents Lunch with Classified Staff – Helena College of Technology Student Center
- 5:30 – 7:30 P.M. Student Assistance Foundation, Montana Guaranteed Student Loan Program Reception, Board of Regents, Montana University System, Regional Business and Civic Leaders – SAF Conference Room, 2500 Broadway

THURSDAY, March 1, 2007

- 7:00 A.M. Regents Breakfast with Faculty Leaders – Helena College of Technology Student Center
- 7:00 A.M. Continental Breakfast for all attendees – Helena College of Technology Student Center
- 12:00 P.M. Regents Lunch with Student Representatives — Helena College of Technology Student Center
- 12:00 P.M. Lunch for all attendees – Helena College of Technology Student Center



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AGENDA

Montana Board of Regents Meeting
On the Campus of The University of Montana
Helena College of Technology

February 28, 2007

- 1:15 P.M. Administrative, Budget and Audit Oversight Committee – Student Center
- 1:30 P. M. Academic / Student Affairs Committee – Board of Investments, 2401 Colonial Drive, 3rd floor conference room
- 5:00 P.M. Super Computer Legislative Proposal - SAF Conference Room, 2500 Broadway

March 1, 2007

- 8:30 A.M. Staff and Compensation Committee – Student Center
- 8:30 A.M. Workforce Development Committee – Room 146
- 9:30 A.M. Break
- 10:00 A.M. Full Board Convenes – Student Center
- Roll Call, Approval of Minutes ([Link](#)), and Introductions
- MUS Issues and Challenges – Campus CEOs (*also see written reports*)
- Update Report – LAD Performance Audit – Res. & Development ([Link](#))
- Legislative Update – Commissioner Stearns
- Approval of Appointments to Local Executive Boards [ITEM 134-108-R0307](#)
- 11:30 A.M. Student Reports
- 1:00 P.M. Board Reconvenes
- 1:00 P.M. Committee Reports and Action continued
- a. Workforce Development ([Link](#))
 - b. Academic and Student Affairs ([Link](#))
 - c. Administrative, Budget, and Audit Oversight ([Link](#))
 - d. Staff and Compensation ([Link](#))
- 5:00 P.M. Public Comment
- 5:15 P.M. Executive Session (Consideration of Honorary Degrees) – Dean's Conference Room
- 5:30 P.M. Board Adjourns, 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 STATE UNIVERSITY – Campuses at Billings, Bozeman, Great Falls, and Havre
THE UNIVERSITY OF MONTANA – Campuses at Butte, Dillon, Helena, and Missoula

Dawson Community College (Glendive) – Flathead Valley Community College (Kalispell) – Miles Community College (Miles City)
Board of Regents' Regular Meeting–February 28-March 2, 2007–HELENA 2/16/2007 2:49 PM



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MINUTES
MONTANA BOARD OF REGENTS MEETING
NOVEMBER 15-17, 2006
Missoula, MT

WEB PAGE ADDRESS: <http://www.bor.montana.edu/>

Thursday, November 16, 2006

The full board convened at 8:10 a.m.

Regents present: Chair Lynn Hamilton, Vice Chair Stephen Barrett, Lila Taylor, Clay Christian, Mark Semmens, Heather O'Loughlin, Janine Pease.

Jan Lombardi, Education Policy Advisor represented Governor Schweitzer.

Regent Barrett moved approval of the September 2006 minutes. Approved 7-0

SYSTEM ISSUES
MUS Issues and Challenges

Tyler Trevor, Office of the Commissioner of Higher Education (OCHE) -Employment of Health care graduates in MT
President Geoff Gamble, MSU-Bozeman – Recruitment and Compensation
Chancellor Alex Capdeville, MSU-Northern – Recruitment and Apprenticeship Programs
Dean Daniel Bingham, UM-Helena College of Technology – Budgets and Transfer
Chancellor Frank Gilmore, UM-Butte Tech – STEM Programs
Chancellor Richard Storey, UM-Western - Compensation
President George Dennison, UM-Missoula – Providing mental health services to students
President Jim Cargill, Dawson Community College – Business Partners and Budgets

Discussion followed on transfer of information issues and capabilities and mental health issues on campuses.

COMMITTEE REPORTS AND ACTION

ACADEMIC and STUDENT AFFAIRS COMMITTEE REPORT

- a. Revisions to Board of Regents' policies 301.11 and 301.12, dealing with credit totals in degree programs ITEM 133-101-R1106

Regent Hamilton, Chair of Academic and Student Affairs Committee, moved approval of ITEM 133-101-R1106. Motion approved 7-0.

- b. Revisions to MUS General Education Core ITEM 133-102-R1106

The purpose of the rules is to provide guidance to both students and the campuses.

Regent Hamilton moved approval of the revised MUS General Education Core. Motion approved 7-0. The Board postponed action on the proposed operational rules, and asked the General Education Council to provide more information. The rules will be brought back to the Board at a subsequent meeting.

- c. Indian Education for All plan for academic and research activities
ITEM 133-103-R1106

Regent Hamilton moved to adopt the proposed Indian Education for All plan, along with the recommendation to explore options for continuation or creation of advisory groups on Indian Education for All in the Montana University System. Motion approved 7-0.

Level II Items

- d. B.S. and minor in Wildland Restoration, The University of Montana-Missoula ITEM 132-1001-R0706

Regent Hamilton moved approval. Motion approved 7-0.

Regent O'Loughlin requested both UM-Missoula and MSU-Bozeman campuses look at the issue of the

differences in the programs in the 4th year transferability of credits in these programs.

- e. Center for Advanced Supramolecular and Nano Systems, Montana Tech of The University of Montana ITEM 132-1502-R0706

Item withdrawn. The Center will be brought back to the Board at a subsequent meeting.

- f. Center for Advanced Mineral and Metallurgical Processing, Montana Tech of The University of Montana ITEM 132-1503-R0706

ITEM withdrawn on the request of MT Tech of UM.

It was determined that the Center is an existing Center and therefore does not require board approval.

- g. B.S. in Bioengineering, Montana State University-Bozeman ITEM 132-2010-R0906
- h. Option in Clinical Nurse Leader as part of the Master of Nursing degree program, Montana State University-Bozeman ITEM 132-2011-R0906

Regent Hamilton moved approval of g & h. Motion approved 7-0.

- i. Ph.D. in Ecology and Environmental Sciences, Montana State University-Bozeman ITEM 132-2012-R0906
- j. B.A. in American Studies, Montana State University-Bozeman ITEM 132-2013-R0906

Regent Hamilton moved approval of i & j. Motion approved 7-0.

- k. Certificates of Applied Science in Accounting Assistant, Assistant Drafter, Automobile Collision Refinishing Technician, Automobile Collision Repair Technician, Automotive Technology, Diesel Technology, Medical Coding and Insurance Billing, Networking, Office Assistant and Welding and Metal Fabrication, Montana State University-Billings College of Technology ITEM 132-2701-R0906
- l. Certificates of Applied Science in Computer Assistant, Creative Arts Enterprise, Fundamentals of Business, General Office Assistant, Legal Receptionist and Medical Receptionist, Montana State University-Great Falls College of Technology ITEM 132-2851-R0906

Regent Hamilton moved approval of k & l. Motion approved 7-0.

- m. Certificate in Agriculture/Agribusiness, Miles Community College ITEM 132-401-R0906
- n. A.A.S. in Engineering Technology, Dawson Community College ITEM 132-201-R0706

Regent Hamilton moved approval of m & n. Motion approved 7-0.

INFORMATION

- a. Program review reports from the campuses of the Montana University System.
Since this was the first round of program review reports, under the new Board policy, the Regents and the campuses were pleased with the results. The chief academic officers will continue to monitor the process, and may suggest some changes.
- b. Summer and fall enrollment reports – Tyler Trevor
Discussion followed.
- c. College Preparatory Program report.
Deputy Commissioner Barber explained the committee requested the exemption portion be looked at. The regents asked staff to come back with recommendations or policy revisions.
- d. Additional information on Policy 940.29, post-baccalaureate students.

OCHE staff will develop recommendations to be presented to the Board of Regents.

- e. 2006 ACT and SAT scores in Montana
Board members were urged to read the report, and refer any questions to the Commissioner's office.
- f. MUS General Education Core on-line
The General Education Council has identified several additional tasks to undertake, including the development of an assessment plan for the MUS General Education Core.

The Board unanimously agreed that the Commissioner's staff should continue its project to make the MUS Core available to students on-line.

CONSENT

- a. Level I memorandum.
Deputy Commissioner Barber explained the last item in the memorandum that addresses film studies would be removed from the memorandum.

STUDENT REPORTS

The following students presented reports: (Written reports on file)

Andrea Helling, President ASUM
Chris Mjelde, Montana Tech of the University of Montana
Whitney Wines, UM-Western
J.T. Hinman, UM-Helena College of Technology
Cole Arthun, MSU-Bozeman
Kevin Majewski, MSU-Billings

Meeting recessed for lunch at 12:15.
The meeting reconvened at 1:05 p.m.

WORKFORCE DEVELOPMENT COMMITTEE REPORT

- a. Proposed Bitterroot Valley Community College Update (BVCC)
Regent Taylor explained that Victoria Clark, BVCC spokesman, had requested a time at the January 2007 meeting to present another update. The BVCC Exploration Committee is moving forward with a petition for the Board for a call for a vote on establishment of a community college. They are gathering a few more signatures on their petition, but have enough signatures to qualify for a vote in Ravalli County. Victoria Clark spoke in support of the community college proposal to meet the educational needs in the Bitterroot Valley.

The following concerns and issues were mentioned in the discussion:

- Creating another community college
- Re-inventing the wheel
- Funding that would be needed
- Needs to be more exploration of what needs to be provided
- Needs to be less discussion on the actual structure and more discussion on the actual needs
- The mission of the post-secondary educational units
- There are already 20 locations in the State of Montana that provide a variety of forms of direct access to post-secondary education, as well as several on-line options
- UM-Missoula will continue discussions with the BVCC Exploratory Committee
- Long range building for a satellite campus

Commissioner Stearns will give an update to the Board at the March 2007 meeting.

- b. Apprenticeship Memorandum of Understanding
Key points discussed:

- Registered apprenticeships have existed in Montana since 1941, but traditionally have not had any direct linkage with higher education.
- About a year ago, Labor Commissioner Keith Kelly brought education, labor, and industry together to put together an MOU outlining a process for establishing apprenticeship programs. The goal is to have various training programs be consistent with each other, allow more students to stay in state for training, and make sure credits can transfer to registered apprenticeships.
- Jane Baker, Arlene Parisot, and one to-be-determined new MUS member will sit on the apprenticeship advisory board for the SWIB. The purpose of the MOU is to encourage coordination and communication, not to give any one group control over others.
- This MOU would not cover all new programs or courses, but it is not clear precisely where the boundaries are for what is covered and what is not. Certain new programs that could potentially lead to credit in a registered apprenticeship program might be covered and the boundary issues will be worked out over time.
- Mark Maki stated that the SWIB/MDLI would not be voting “yes” or “no” on needing to approve new programs because of this MOU.
- The MOU does require the MUS to keep the SWIB/MDLI informed of new programs or courses that could lead to registered apprenticeship credit.
- The intent of the MOU is to promote better collaboration and coordination between MDLI, the SWIB, the MUS, labor, and industry.
- The MUS will not, by signing this MOU, be required to give credit for coursework as part of an apprenticeship program, if it would not otherwise do so.
- The MOU will not take away any programs that COTs/CCs have already developed.
- The MOU allows any party to opt out with 10 days notice, so if the MOU significantly impairs any party’s ability to serve its constituents/students it can be voided.

OCHE staff recommended signing the MOU.

Regent Semmens moved approval of the MOU. Motion approved 6-1, with Regent Taylor dissenting.

ADMINISTRATIVE, BUDGET, and AUDIT OVERSIGHT COMMITTEE REPORT

ACTION

- a. Authorization for Increased Spending Authority in FY07 General Funds -UM-Missoula ITEM 133-1026-R1106
Regent Semmens clarified this request was for increased spending authority, but not increased State funds.

Regent Semmens moved approval of ITEM 133-1026-R1106. Motion approved 7-0.

- b. Indexing of Fees – UM-Missoula ITEM 133-1020-R1106
The intent is to put an inflationary indexing process in place for certain student fees. This is a pilot program at UM-Missoula to be reviewed in 2008. Bill Muse and Candy Holt, UM-Missoula, spoke for informational purposes.

The committee recommended approval of this item because of the significant student involvement in the process.

Discussion followed:

- where does the additional money go
- estimate of cost increases
- concern of setting a precedent
- does this fix the problem of fees adequately covering the inflationary costs
- do not want to wait too long to cover increased costs
- fee increases must still come before the Board of Regents for approval, as do all others

Regent Semmens moved approval of ITEM 133-1020-R1106. Motion approved 6-1 with Regent O'Loughlin dissenting.

- c. Authority to Plan and Design New Sky Suites at Football Stadium – MSU-Bozeman ITEM 133-2007-R1106
Clarified this would be built with private funding with lease agreement funding to aid in covering costs. MSU will come before the BOR if they decide to go through with the construction of the project. Project is designed to be totally funded by private funds.

Regent Semmens moved approval of ITEM 133-2007-R1106. Motion approved 7-0.

- d. Authority to Negotiate Acquisition of Story Mansion – MSU-Bozeman ITEM 133-2009-R1106
The city of Bozeman currently owns the building with selling price to be negotiated. Money for operation and maintenance of this building will need to come from private donations and funds other than state funds. MSU wants approval by the regents for negotiations to continue because donors are hesitant to donate until that occurs.

Regent Semmens moved approval of ITEM 133-2009-R1106. Motion approved 7-0.

- e. Lease of Building (EOCM) – MSU-Northern ITEM 133-2803-R1106

Regent Semmens moved approval of ITEM 133-2803-R1106. Motion approved 7-0.

- f. Authorization to Negotiate a Constant Maturity Swap Contract for the Series J 2005 Facilities Revenue Bond Issue – MSU-Bozeman ITEM 133-2010-R1106

Regent Semmens moved approval of ITEM 133-2010-R1106, including the approval of the Resolution Relating to the Approval of an ISDA Master Agreement and Other Documents with Respect to a Constant Maturity Swap for the Series J 2005 Bonds Heretofore Issued for Montana State University. Motion approved 7-0.

- g. Increase Authority to Construct New Research Facility – MUS-Bozeman ITEM 133-2011-R1106
Construction of the facility was initially authorized in September 2005, to be financed with F & A funds from research. This item seeks increased authority. No state funds or student funds are to be used for the construction or the operation and maintenance of the building.

Regent Semmens moved approval of ITEM 133-2011-R1106. Motion approved 7-0.

- h. Rural Physician Incentive Program – OCHE ITEM 133-107 -R1106
Regent Barrett noted that none of these students are WWAMI students, but rather physicians moving to Montana.

Regent Semmens moved approval of ITEM 133-107-R1106. Motion approved 7-0.

- i. Distance Education Tuition and Fees ITEM 133-110-R1106
Regent Hamilton stated there was some concern voiced by the students regarding the student activity fee. The Regents directed OCHE staff to take a further look at whether or not the Student Activity Fee should be waived for the fully on-line students.

Informational speakers:

Tom Gibson, Director of Distance Education, Office of the Commissioner
Rolf Groseth, MSU-Bozeman
Dean Mary Moe, MSU-Great Falls College of Technology
Andrea Helling, President of ASUM

Expressing concerns:

Chancellor Ron Sexton, MSU-Billings

INFORMATION

- a. Audit Reports
 1. MSU-Bozeman Foundation – June 30, 2006
 2. MSU-Billings Foundation – June 30, 2006
 3. UM-Missoula Foundation – June 30, 2006
Deputy Commissioner Mick Robinson presented a brief overview of the Foundation audits.
 4. MUS Self-Funded Workers Comp Program – June 30, 2006
This was postponed to a future meeting.
 5. DNRC Morrill Trust – June 30, 2006
Commissioner Stearns stated audit findings of \$507,999 had been diverted from 1966-2002 and that, according to the legislative audit, DNRC fiduciary responsibility to the trust requires it to return the funds to the beneficiary, MSU-Bozeman, plus interest. The Legislative Audit Committee urged the university system to continue to pursue this and the repayment of interest.
- b. Fee Committee Report
Deputy Commissioner Robinson told the committee the Fee Report will be given at a future meeting.
- c. MUS Honor Scholarship Update
Bruce Marks, Director of Montana Guaranteed Student Loan Program (MGSLP) explained the proposed changes.

The Board of Regents approved going forth with the proposed changes.

- d. Governor's Postsecondary Scholarship Program Annual Report
- e. Concept Review: Acquire Highlands Golf Course – UM-Missoula
The Board expressed continued interest in the concept, provided that additional information clarifies the benefits to students, the community, and provided that a sound business plan shows that it can be managed with apposite, self-sufficient cash flow.

Opposing Public Comment was offered by the following:

Dotty Servis, Secretary of the Women's Golf Association League at the UM Golf Course
Cindy Kohn, former President of Mount Sentinel Women's Association

Supporting Public Comment was offered by Andrea Helling, ASUM President.

The value in this would be in the substitute value for future development.

The board approved the concept review with understanding of the potential benefits to students, the community, and with the understanding that the project would not result in the consumption of any university resources.

- f. Concept Review: Stadium Expansion – UM-Missoula
President Dennison explained the rationale behind the Stadium Expansion Concept Review.

The Regents authorized UM-Missoula to continue planning, with the understanding that it has to work financially.

- g. OCHE Financial Data Warehouse – Update
This was postponed to a future meeting.

CONSENT

- a. Authorization to Expend Up to \$85,000 of Student Computer Fees – UM-Western ITEM 133-1601-R1106
 - b. Authorization to Increase Auxiliary Budget Authority – FY2007 – UM-Missoula ITEM 133-1025-R1106
 - c. Grant of Easement to City of Dillon – UM-Western ITEM 133-1602-R1106
 - d. Authority to Name the Terry & Paul Melvin Graduate Art Studio – MSU-Bozeman ITEM 133-2003-R1106
 - e. Renew Authority to Paint Existing Auxiliaries Facilities – MSU-Bozeman ITEM 133-2004-R1106
 - g. Renew Authority to Construct a New Chemistry/Biochemistry Research Laboratory Facility - MSU-Bozeman ITEM 133-2005-R1106
 - h. Authorization to Accept a Donation of Property to Adjust Boundary of Post Farm - MSU-Bozeman ITEM 133-2006-R1106
 - i. Authorization to Grant Underground Electrical Service Easement to NW Energy - MSU-Northern ITEM 133-2802-R1106
 - j. Authorization to Upgrade Information Technology Center (ITC) Electrical Systems in Renne Library – MSU-Bozeman ITEM 133-2008-R1106
 - k. Approval of University System/Employee Joint Venture – UM-Missoula ITEM 133-1021-R1106
- Regent Semmens moved approval of all Consent Items except for Item g. Motion approved 7-0.**

Regent Semmens moved approval of Item g. Motion passed 6-0, with Regent Barrett abstaining for potential conflict of interest.

STAFF and COMPENSATION COMMITTEE REPORT

ACTION

- a. MSU-Bozeman summer faculty compensation ITEM 133-104-R1106
Regent Barrett moved approval of ITEM 133-104-R1106. Motion approved 7-0.
- b. Delegated authority for Commissioner approval of faculty contracts ITEM 133-105-R1106
Regent Barrett moved approval of ITEM 133-105-R1106. Motion approved 7-0.
- c. Vehicle Safety policy ITEM 133-106-R1106
Regent Barrett moved approval of ITEM 133-106-R1106. Motion approved 7-0.

INFORMATION

- a. Salary survey information (CUPA)
Regent Semmens said the regents want to continue to monitor this information and base internal equity decisions on comparable data. The committee did not make a recommendation of target percentage.
- b. Recruitment and Retention Task Force
- c. Report on MUS employment contract status (per BOR policy 711.1)
- d. Health Insurance RFP
- e. MSU Housing Cost Video

CONSENT

Staff Items

- a. Office of Commissioner of Higher Education Item 133-100-R1106.
 - b. The University of Montana-Missoula ITEM 133-1000-R1106
 - c. Montana Tech of The University of Montana ITEM 133-1500-R1106
 - d. Montana State University-Bozeman ITEM 133-2000-R1106
 - e. Authorization to Confer the Title of Professor Emeritus of Art upon Robert Royhl Smith; Montana State University-Bozeman ITEM 133-2001-R1106
 - f. Authorization to Confer the Title of Professor Emeritus of Education upon Ardy Sixkiller Clarke; Montana State University-Bozeman ITEM 133-2002-R1106
 - g. Montana State University-Bozeman, Agricultural Experiment Station ITEM 133-2300-R1106
 - h. Montana State University-Bozeman, Extension Service ITEM 133-2400-R1106
 - i. Montana State University-Billings Item 133-2700-R1106
 - j. Montana State University-Northern ITEM 133-2800-R1106
 - k. Authorization to Confer the Title of Professor Emeritus of English upon Dr. William W. Thackeray, Jr., Montana State University-Northern ITEM 133-2801-R1106
 - l. Montana State University-Great Falls COT ITEM 133-2850-R1106
- Regent Barrett moved approval of the consent agenda. Motion approved 7-0.**

Meeting recessed at 5:15 p.m.

Friday, November 17, 2006

The Board reconvened at 8:40 a.m.

Regents Present: Chair Hamilton, Vice Chair Barrett, Christian, Taylor, Semmens, O'Loughlin, Pease

Regent Barrett asked Chair Hamilton to consider compiling a task force to address how to deal with the entire spectrum of costs that affect employees in the Montana University System, including the high housing costs.

Chair Hamilton requested Commissioner Stearns assemble a task force comprised of a cross-section of MUS employees.

BOARD OF EDUCATION TOPICS

Education for Life Issues – Jan Lombardi, Governor's Office, discussed the Governor's proposed budget and its impact on higher education.

SPECIAL TOPIC: INTERNATIONAL STUDENT EXCHANGE PROGRAMS

Dr. William DeLauder, Executive Director to the Commission on the Abraham Lincoln Study Abroad Fellowship Program, gave the presentation *Preparing Students for a Global Society*. Discussion followed.

A proposed legislative Joint Resolution was submitted by Regent O'Loughlin.

Chair Hamilton requested Commissioner Stearns and OCHE staff bring forth a recommendation at the January 2007 meeting regarding the DRAFT Joint Resolution.

THE GEAR UP PROGRAM (Gaining Early Awareness and Readiness for Undergraduate Programs) Sandy Merdinger, Director of GEAR UP Office of the Commissioner of Higher Education gave an overview of GEAR UP. Chelsea Morales, a former GEAR UP student, spoke to the group on the benefits of the GEAR UP Program.

Jamie Jutila, Senator Baucus' office, read information on educational endeavors Senator Baucus has been pursuing, including the Higher Education Act.

LEGISLATIVE PERFORMANCE AUDIT – University Research – Angus Maciver and Diedra Murray, Legislative Auditors, presented the findings of the Legislative Performance Audit on the MUS Research Development. Jim Pellegrini, Deputy Legislative Auditor, followed up on points made in the research audit and encouraged accountability in the university system. Commissioner Stearns, Presidents Gamble and Dennison concurred with the recommendations given by the Legislative Audit Division and noted their plans, attached to the audit, to comply with the recommendations.

With no further business to come before the Board, the meeting adjourned at 12:00 p.m.

The next regular meeting of the Board of Regents is February 28-March 2, 2007.

Posted to the WEB on

Approved by the Board of Regents on

(Date)

(Date)

Sherry Rosette
Board Secretary

Lynn Morrison-Hamilton
Board Chair



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MINUTES

MONTANA BOARD OF REGENTS MEETING **January 18, 2007** **Helena, MT**

WEB PAGE ADDRESS: <http://www.bor.montana.edu/>

Thursday, January 18, 2007

The full board convened at 8:00 a.m.

Roll Call indicated a quorum present.

Regents present: Chair Lynn Hamilton, Vice Chair Stephen Barrett, Lila Taylor, Clay Christian, Mark Semmens, Heather O'Loughlin, Janine Pease, and Commissioner Stearns ex officio.
Jan Lombardi, Education Policy Advisor represented Governor Schweitzer.

Also Present:

Arlene Parisot-OCHE, Bill Muse-UM, Bob Durringer-UM, Bruce Marks-MGSLP, Cathy Swift-OCHE, Chancellor Alex Capdeville-MSU-N, Chancellor Frank Gilmore-MT Tech of UM, Chancellor Richard Storey-UM-W, Chancellor Ron Sexton-MSU-B, Craig Roloff-MSU, Dan Carter-MSU-B CoT, Dean Daniel Bingham-H CoT, Dean Mary Moe-GF CoT, Jan Clinard-OCHE, Jim Foley-UM, Jim Stipcich-SAF, Kevin McRae-OCHE, Lynette Brown-OCHE, Mick Robinson-OCHE, President Geoff Gamble-MSU, President George Dennison-UM, Rene Dubay-OCHE, Roger Barber-OCHE, Rolf Groseth-MSU, Rosi Keller-UM, Shannon Taylor-MSU, Stefani Hicswa-MCC, Susan Briggs-UM-W, Teresa Branch-UM, Terry Iverson-MSU-B, Tom Gibson-OCHE, Tyler Trevor-OCHE

ACTION

a. Distance Learning Tuition and Fees

The Committee Recommended approval of Item a.

Discussion covered:

- student activity fees will be taken up by the Committee on Fees
- Schedule of fees does not necessarily preclude development of new programs
- Activity Fee is a positive opt-in item

Item a. approved 7-0

b. Expansion to Washington-Grizzly Stadium; The University of Montana –

ITEM 134-1007-R0107

Regent Semmens moved approval of Item b. as amended

The Student Resolution in support of this item was provided. The student athletics fee was negotiated down from \$42 to \$10 per semester.

Approved 5-2 with Regents Hamilton and Taylor dissenting.

CONSENT AGENDA

Academic/Student Affairs Supplemental Materials at
http://mus.montana.edu/asa/BOR_Supplemental/jan2007suppmat.htm.

- a. Certificate in Practical Nursing, Flathead Valley Community College
- b. Resolution on International Studies

Administrative/Budget

- a. HPER Building Bleacher Project; Montana Tech of The University of Montana
- b. Transfer of Property from the Helena School District # 1; The University of Montana-Helena College of Technology
- c. Computer Fee Proposal; Montana State University-Billings

Staff and Compensation

- a. Revise Effective Date Of Vehicle Safety Policy 1910; Montana University System
- b. Approval of University System/Employee Joint Venture Under MUSP 407, Orser and Pittendrigh; Montana State University-Bozeman
- c. Approval of University System/Employee Joint Venture Under MUSP 407, Gray and Goodsell; Montana State University-Bozeman
- d. Office Commissioner of Higher of Education
- e. Montana Tech of The University of Montana – **ITEM 134-1500-R0107 As amended**
- f. Authorization to Confer the Title of Professor Emeritus of Anthropology upon Leslie Davis; Montana State University-Bozeman
- g. Authorization to Confer the Title of Professor Emeritus of Biology upon Ernie Vyse; Montana State University-Bozeman
- h. Montana State University-Billings

**Regent Barrett moved approval of the Consent Agenda
Approved 7-0**

INFORMATION and DISCUSSION

- Commissioner's Report [Link](#)

Commissioner Stearns gave updates on:

- Governor's Homework assignments
- OCHE's Legislative Web Site
- Strategic Plan
- Possible change in administration of MUS self funded Workers Comp

- Update on MGSLP (Montana Guaranteed Student Loan Program)

Mr. Bruce Marks gave an overview of the Montana Guaranteed Student Loan Program as well as its relationship to the Student Assistance Foundation, Montana Higher Education Student Assistance Corporation and The Office of the Commissioner of Higher Education.

See Presentation [Link](#)

Following a 15 minute break the Board reconvened at 10:00 a.m.

- Update on SAF (Student Assistance Foundation) and MHESAC (Montana Higher Education Student Assistance Corporation)

Jim Stipcich gave the history of the Student Assistance Foundation and Montana Higher Education Student Assistance Corporation, and the growth it has seen which he projects continuing in the future.

See Presentation [Link](#)

PUBLIC COMMENT

Ms. Joyce Silverthorn of the Montana Indian Education Association addressed the Board on non-beneficiary funding at the Tribal colleges and Indian Education For All.

Commissioner Stearns announced there will be no change in the date of the March Board of Regents meeting.

With no further business to come before the Board, the meeting adjourned at 11:10 a.m.

Posted to the WEB on

Approved by the Board of Regents on

(Date)

(Date)

Sherry Rosette
Board Secretary

Lynn Morrison-Hamilton
Board Chair

The Board of Regents next meet February 28-March 1, 2007.

Main Agenda - Update Report - LAD Performance Audit on Research & Development

Introduction for BOR Item on the LAD Research and Development Performance Audit

A performance audit of research and development within the Montana University system was prioritized by the Legislative Audit Committee for the 2005 biennium. The Legislative Audit Division embarked on a performance audit of MUS research and development in October 2005. This performance audit assessed research and development at MSU, UM and Montana Tech. Two auditors were charged with conducting the performance audit and they collected data over a year-long period. Information on research and development was collected via in person interviews with Vice Presidents of Research, Offices of Sponsored Programs, Technology Transfer Offices and faculty, as well as from national data bases and surveys conducted with MUS faculty and staff. The audit objectives were to:

1. Determine if management of Research and Development was effective in the MUS.
2. Determine if MUS had appropriate procedures for protecting intellectual property created as a result of MUS Research and Development, and
3. Identify the impact of MUS Research and Development on the Montana economy.

The report was finalized in early November 2006 and the findings were presented to the Legislative Audit Committee in November 2006 as well as to the November 2006 Board of Regents meeting in Missoula.

The final performance audit presented nine recommendations to the Board of Regents. At the November Board of Regents meeting it was decided that a response to those recommendations should be drafted by the Commissioner's Office and the MUS. Attached to this Board item are the draft responses to the nine recommendations for consideration by and approval of the Board of Regents.

Responses to LAD Performance Audit on Research and Development

RECOMMENDATION #1: We recommend the Board of Regents ensure consistent reporting of data relating to research activities on campuses.

Response: All campuses will report their expenditures from externally funded research grants and contracts in each fiscal year.

RECOMMENDATION #2: We recommend the Board of Regents, through the Office of the Commissioner of Higher Education, coordinates the use of information systems within research administration functions.

Response: *MSU and UM will move toward full integration of Banner functionality in both pre- and post-award activities. Integration is completed at MSU and will be completed for UM during FY08.*

RECOMMENDATION #3: We recommend the University of Montana-Missoula assign pre-award staff within the Office of Sponsored Programs by departmental specialization.

Response: *This recommendation has been implemented by the University of Montana-Missoula.*

RECOMMENDATION #4: We recommend Montana University System universities:

- a. Develop and implement mandatory training content addressing core elements in research; and
- b. Provide faculty and staff with additional training opportunities as needed, related to specific subjects relevant to different aspects of the administration and management of research programs.

Response: *UM has implemented a program to ensure training on relevant topics is offered annually, and research faculty/staff are required to attend.*

MSU implemented mandatory PI training in the fall of 2004 and this training includes all aspects of administration and management of research grants, research compliance issues and technology transfer policies and procedures.

RECOMMENDATION #5: We recommend the Montana Board of Regents address its role in the process of direct congressional appropriations by:

- a. Identifying information relevant to earmark funding to be compiled by universities; and
- b. Becoming more involved in the understanding and review of these funding sources.

Response: *UM and MSU will provide an informational item to the Board of Regents at their January meeting, which will identify the earmark funding requests being made to the various federal agencies that will be submitted to the Congressional delegation in early February of each year. It is essential that these requests be submitted to the delegation as soon as possible after the release of the President's proposed budget which occurs about February 1st.*

RECOMMENDATION #6: We recommend the Board of Regents revise timeframes for technology transfer processes outlined in policy number 401.2.

Response: *UM and MSU recommend the following policy revisions to provide for consistent and realistic timelines in the technology transfer processes:*

401.2(3). *Within 18 months of the submission of an invention disclosure, the Patent Management Officer or Committee shall inform the inventor(s) in writing*

whether it plans to secure the patent or release the discovery to the inventor(s). In the latter case, or in case of failure by the Officer or Committee to communicate in writing within 18 months, the inventor(s) is free to secure the patent, pay all fees, and receive all benefits therefrom.

401.2(5) In the event that the unit deems that a patent should be prosecuted, the prosecution shall be carried out diligently and without expense of any kind to the inventor. The inventor must assign to the unit any interest in the patent equivalent to the property interest which the committee determines to belong to the unit or which is required by Section 1.a. or Section 1.b. The preliminary patent search must be started within 9 months from the date the matter is presented to the unit or the unit forfeits all right to the invention. If no patent application is filed within a total elapsed time of 18 months following disclosure, all patent rights revert to the inventor(s) unless other agreement is executed between the inventor(s) and the unit.

RECOMMENDATION #7

We recommend Board of Regents through the Office of the Commissioner of Higher Education work with universities to review and refine methodologies for capitalizing intellectual property as intangible assets.

Response: Because GASB is currently in the process of developing guidelines for capitalizing intellectual property, UM and MSU propose that the Board of Regents adopt the GASB guidelines once they are available.

RECOMMENDATION #8: We recommend units of the Montana University System ensure technology transfer issues receive sufficient emphasis in training provisions by:

- A. Including direct and specific information on technology transfer issues in mandatory training for principal investigators; and
- B. Developing subject specific optional training content on technology transfer issues.

Response: Montana State University integrated technology transfer issues into the mandatory training that began in October 2005. University Principal Investigators will continue to receive appropriate technology transfer training. Montana State University provides intellectual property training, both through staff and specialized attorneys, several times a year for specific subject matter. Recent training subjects included Plant Variety Protection, Patenting, new developments in patent law, copyright/software issues, material transfer issues and other related IP topics.

UM will have mandatory technology training integrated into Principle Investigator training by fall 2007. Appropriate special topic training will also be provided every year.

RECOMMENDATION #9

We recommend the Board of Regents develop a system-wide approach to technology transfer issues by:

- a. Requiring universities to incorporate technology transfer functions in long-range planning initiatives; and
- b. Developing standardized means of assessing progress in meeting technology transfer goals.

Response:

a. Technology transfer is a component of the Board of Regents' Strategic Plan, and specific goals are established.

In addition, MSU incorporated technology transfer into its original Five Year Vision established in 2003 and continues to include it in the updated Vision documents.

The Long Range plan for the UM research program also includes technology transfer goals and measurements.

b. MSU and UM annually report to the Association of University Technology Managers (AUTM) concerning metrics. We recommend the following metrics, which are already reported to AUTM, be utilized by all units of the system:

***Number of Invention Disclosures this year
Number of Start-up companies this year
Number of Licenses executed this year
Total licenses at the close of the last fiscal year***

In addition, we recommend two measurements:

***Number of licenses executed this year with Montana companies
Revenue from licensing (includes issue fees and royalties)***

Submission of this data should be made each fall following the close of the fiscal year.



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WORKFORCE DEVELOPMENT COMMITTEE MEETING
Helena College of Technology
Thursday, March 1, 2007
8:30 – 9:30 A.M.
Room 146

8:30 A.M. ROLL CALL AND REVIEW OF MINUTES [Link](#)

8:40 A.M. **INFORMATION**

- a. Montana Healthcare Workforce Advisory Committee Report and Recommendations [Link](#)

ACTION

- a. Call for Election for the organization of a Community College District in Ravalli County [Item 134-102-R0307](#)
- b. RFP: NP-9053 – Equipment and Technology in High Demand Fields [Item 134-103-R0307](#)
- c. RFP: NP-9054 – Workforce Training in High Demand Fields [Item 134-104-0307](#)

9:20 A.M. PUBLIC COMMENT

9:30 A.M. ADJOURN

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Minutes
Workforce Development Committee Meeting
November 15, 2006

The meeting began at 3:30 p.m. with Roll Call and Adoption of the September 2006 Minutes. Regents Taylor, Hamilton and Pease were in attendance.

a. Proposed Bitterroot Valley Community College Update (BVCC)

Regent Taylor explained that Victoria Clark, BVCC spokesman, had requested a time at the January 2007 meeting to present another update. The BVCC Exploration Committee is moving forward with a petition for the Board for a call for a vote on establishment of a community college. They are gathering a few more signatures on their petition, but have enough signatures to qualify for a vote in Ravalli County.

Victoria Clark spoke in support of the community college proposal to meet the educational needs in the Bitterroot Valley.

The following concerns and issues were discussed:

- ✓ Creating another community college
- ✓ Re-inventing the wheel
- ✓ Funding that would be needed
- ✓ Needs to be more exploration of what needs to be provided
- ✓ Needs to be less discussion on the actual structure and more discussion on the actual needs
- ✓ The Mission of the post-secondary educational units
- ✓ There are already 20 units in the State of Montana that provide post-secondary education, as well as several on-line options
- ✓ UM-Missoula will continue discussions with the BVCC Exploratory Committee
- ✓ Long range building for a satellite campus

Commissioner Stearns will develop a resolution by the March 2007 Board of Regents meeting to present to the board.

b. Apprenticeship Memorandum of Understanding

Key points discussed:

- Registered apprenticeships have existed in Montana since 1941, but traditionally have not had any direct linkage with higher education.
- About a year ago, Labor Commissioner Keith Kelly brought education, labor, and industry together to put together an MOU outlining a process for establishing apprenticeship programs. The goal is to have various training programs be consistent with each other, allow more students to stay in state for training, and make sure credits can transfer to registered apprenticeships.
- Jane Baker, Arlene Parisot, and one to-be-determined new MUS member will sit on the apprenticeship advisory board for the SWIB. The purpose of the MOU is to encourage coordination and communication, not to give any one group control over others.
- This MOU would not cover all new programs or courses, but it is not clear precisely where the boundaries are for what is covered and what is not. Certain new programs that could potentially lead to credit in a registered apprenticeship program might be covered and the boundary issues will be worked out over time.
- Mark Maki made it very clear that the SWIB/MDLI would not be voting "yes" or "no" on needing to approve new programs because of this MOU.
- The MOU does require the MUS to keep the SWIB/MDLI informed of new programs or courses that could lead to registered apprenticeship credit.
- The intent of the MOU is to promote better collaboration and coordination between MDLI, the SWIB, the MUS, labor, and industry.

- The MUS will not, by signing this MOU, be required to give credit for coursework as part of an apprenticeship program, if it would not otherwise do so.
- The MOU will not take away any programs that COTs/CCs have already developed.
- The MOU allows any party to opt out with 10 days notice, so if the MOU significantly impairs any party's ability to serve its constituents/students it can be quickly voided.

OCHE staff recommended signing the MOU.

Meeting adjourned at 5:00 p.m.

WORKFORCE COMMITTEE INFORMATION ITEM a.

Interim Report to the Board of Regents Montana Healthcare Workforce Advisory Committee February, 2007

The Montana Healthcare Workforce Advisory Committee (MTHWAC) was formed after the March, 2006, meeting of the Montana Board of Regents. The Committee was organized by the Montana Office of Rural Health/Area Health Education Center (MORH/AHEC) in cooperation with the Office of the Commissioner of Higher Education, MHA, Montana Primary Care Association, and other organizations. MTHWAC has been meeting regularly throughout 2006-07. The goal of is to assure that Montana has a sufficient number of high quality healthcare professionals to meet current and future demand. MTHWAC will submit recommendations to the Commissioner of Higher Education in April, 2007 on strategies to achieve that goal.

Membership

Members were recruited from throughout the state to represent healthcare providers, state healthcare associations, health professions organizations, higher education and state agencies. A list is attached.

Healthcare Workforce Data

OCHE, DOLI, DPHHS, MHA, MORH/AHEC, and the State Workforce Investment Board (SWIB) worked together throughout 2006 to produce high quality data and analysis of the state's healthcare workforce. Supplemented by data from healthcare providers and health professions organizations, Montana is in a much better position to understand demand for nurses, physicians, dentists, pharmacists, mental health professionals and allied health professionals. In addition to collecting and analyzing data, the Commissioner and Assistant Commissioner of Higher Education toured the state visiting hospitals, and prepared a report of the findings. The MTHWAC has spent the last six months studying the data and reports, including the report of the State Workforce Investment Board, Healthcare Workforce Committee.

Priority Issues

"As the baby boom generation ages we will see a tremendous wave of experienced professionals leave the workforce at precisely the same time as the aging population increases the demand for healthcare. Ten years from now we will have a very large problem and every hospital in the state knows the issue is very real. Solving the problem is not the province of the MUS alone, but our ability to educate more skilled workers is a critical part of any rational solution." Dave Gibson Report of State Hospitals Tour, December 1, 2006

- ◆ MTHWAC supports **systematic and consistent data collection, analysis and planning** to target investments in healthcare workforce education and training
- ◆ **Shortages exist in nearly all professions, and are particularly acute in rural areas** that are not near a postsecondary institution. Demand for mental health professionals, dentists, physicians, laboratory scientists, nurses, and allied health professionals has been documented. Plans have been developed in the public and private sector that would require action by the Board of Regents.
- ◆ **Distance education, expanded clinical education, financial support, and more faculty** are critical, and will require collaboration among higher education and healthcare providers.

What's Next?

The MTHWAC will present detailed recommendations to the Commissioner of Higher Education in April, 2007. The Office of Rural Health/Area Health Education Center has made a long term commitment to provide staff support to the Committee.

ITEM 134-102-R0307

Order For Election To Organize A Community College District In Ravalli County

THAT:

The Board of Regents of Higher Education, having been presented with a petition requesting organization of a community college district, and having found said petition to meet the requirements of law, hereby orders elections for the organization of a community college district in Ravalli County to be held as required by Montana Code Annotated § 20-15-203.

EXPLANATION:

Montana law at Title 20, Chapter 15, Part 2 provides that the electors of an area may petition the Montana Board of Regents for organization of a community college district. The law requires the Board of Regents to order an election on the petition if the petition meets the following requirements of § 20-15-201, MCA: (1) the proposed area coincides with the then-existing boundaries of elementary districts of one or more counties; (2) the taxable value of the proposed area is at least \$10 million; and (3) there are at least 700 pupils regularly enrolled in public and private high schools located in the proposed area.

A petition for such organization has been presented to the Commissioner of Higher Education for presentation to the regents. The voter signatures on the petition have been certified by the Ravalli County Clerk and Recorder as the signatures of registered voters of the indicated school districts. The taxable value of the proposed district has been confirmed as in excess of \$10 million. The public and private enrollment of high school students in the proposed district has been confirmed as in excess of 700 students. The petition has been examined by the Commissioner of Higher Education and counsel for the Board of Regents and determined to satisfy the petitioning and community college district organizational requirements set out by law.

Montana Code 20-15-203 (2) (3) provides that if the regents determine the petition satisfies the statutory requirements, the regents shall order the elementary districts encompassed by the proposed community college district to conduct an election on the proposition. The election must be held on the next regular school election day, which is May 8, 2007.

If the eligible Ravalli County electors vote in favor of the organization of a community college district, the issue must next be presented to the Montana Legislature, with a recommendation from the Board of Regents. If approved by the legislature, the Board of Regents is authorized to issue an order for the organization of the new district, pursuant to § 20-15-209.

Feb 28 - March 1, 2007

February 28-March 1, 2007

ITEM 134-103-R0307

Approve Request for Proposal to be administered by the OCHE to allocate up to \$4 million on a competitive basis to address the need for equipment and technology in the Montana University System and Community Colleges contingent upon appropriation of funds by the 2007 Legislature.

THAT:

The Board of Regents approve the RFP for allocation of OTO funds for equipment and technology to educate and train high demand workers in healthcare, skilled industries high demand programs and classroom equipment

EXPLANATION:

As of Legislative action by February 13, 2007: House Bill 2 as amended, NP-9053 – Equipment and Technology in High Demand Fields MUS & CC OTO provides a one-time allocation to address the need for equipment and technology at Montana's colleges to educate and train high demand workers as follows:

- Healthcare, skilled industries and high demand programs \$2 million

- Classroom equipment and technology \$1.5 million

The equipment and technology grant process for administering these funds shall be performed by the OCHE. Of the \$2.0 million six-mill level and the \$1.5 general fund appropriation for equipment and technology, \$1.75 million must be matched on a one-to-one basis from non-state funds identified by the board of regents. Matching funds may include federal funding revenue, private funding revenue and other non-state university funds. The funding match may include in-kind revenue only if that revenue is equipment itself, cost reductions offered for purchased equipment, or space to house equipment. The OCHE shall certify to the office of budget and program planning that an allowable funding match has been committed from an eligible revenue source, as evidenced by a commitment letter from that funding source.

- The RFP shall be developed in accordance with Legislative and Regental intent. This action enables the RFP to be issued upon adjournment of the Legislature, to speed up the process for meeting needs in high-demand fields.

February 28-March 1, 2007

ITEM 134-104-R0307

Approve Request for Proposal to be administered by the OCHE to allocate up to \$1.5 million OTO funds on a competitive basis to Montana University System and Community Colleges to address the need to support new workforce development initiatives, specifically for capital and operational costs that expand program capacity at the university educational units contingent upon appropriation of funds by the 2007 Legislature.

THAT:

The Board of Regents approve the RFP for allocation of OTO funds to allow the university system to start-up or expand programs that train workers in high demand occupations, specifically to allow rapid response to Montana employers seeking short-term training opportunities to maintain a competitive workforce.

EXPLANATION:

As of Legislative action by February 13, 2007: House Bill 2 as amended, NP-9054 – Workforce Training in High Demand Fields MUS & CC OTO – provides a one-time-only investment to provide Montana businesses with more skilled-workers in high demand occupations and provide students with expanded opportunities for education that will allow them to earn a good income and remain in the state.

The process for administering these funds shall be performed by the OCHE. Of the \$1.4 million general fund appropriation for high demand programs in item DP 9054, \$700,000 must be matched by no less than one-half the appropriation amount with nonstate funds identified by the board of regents. Matching funds may include federal funding revenue, private funding revenue and other nonstate university funds. The OCHE shall certify to the office of budget and program planning that an allowable funding match has been committed from an eligible revenue source, as evidenced by a commitment letter from that funding source.

The RFP shall be developed in accordance with Legislative and Regental intent. This action enables the RFP to be issued upon adjournment of the Legislature, to speed up the process for meeting needs in high-demand fields.



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ACADEMIC & STUDENT AFFAIRS
3rd Floor Conference Room
Montana Board of Investments
2401 Colonial Drive, Helena, Montana
Wednesday, February 28, 2007
1:30 p.m. – 4:30 p.m.

See additional Supplementary Materials at:
http://mus.montana.edu/asa/BOR_Supplemental/march2007suppmat.htm

1:30 P.M. ROLL CALL and REVIEW OF MINUTES [Link](#)

ACTION

- 1:35 P.M. a. Approval of Operational Rules for the MUS General Education Core.
[ITEM 133-102-R1106](#)
- b. Approval of Operational Rules for Provisional Admissions.
[ITEM 134-101-R0307](#)
- c. Approval of America's Professor Project, The University of Montana.
[ITEM 134-1004-R0307](#)

Level II Items

- d. Option in Inequality and Social Justice, The University of Montana-Missoula [ITEM 134-1001-R0107](#)
- e. Certificate in Entertainment Management, The University of Montana-Missoula [ITEM 134-1002-R0107](#)
- f. Certificate in Computer Systems Technician, The University of Montana-Missoula [ITEM 134-1003-R0107](#)
- g. Minor in Gerontology, The University of Montana-Missoula
[ITEM 134-1004-R0107](#)
- h. Certificate and Associate of Applied Science degree in Carpentry, The University of Montana-Missoula [ITEM 134-1005-R0107](#)
- i. Certificate in Entrepreneurship, The University of Montana-Missoula
[ITEM 134-1006-R0107](#)
- j. Bachelor degree in Communicative Disorders, The University of Montana-Missoula [ITEM 134-1008-R0107](#)
- k. Master degree in Speech-Language Pathology, The University of Montana-Missoula [ITEM 134-1009-R0107](#)
- l. Center for Advanced Supramolecular and Nano Systems, Montana Tech of The University of Montana [ITEM 132-1502-R0706](#)

MONTANA STATE UNIVERSITY – Campuses at Billings, Bozeman, Great Falls, and Havre
THE UNIVERSITY OF MONTANA – Campuses at Butte, Dillon, Helena, and Missoula
Dawson Community College (Glendive) – Flathead Valley Community College (Kalispell) – Miles Community College (Miles City)

- m. Minor in Latin American and Latino Studies, Montana State University-Bozeman [ITEM 134-2006-R0107](#)
- n. Bachelor degree and minor in Outdoor Adventure Leadership, Montana State University-Billings [ITEM 134-2702-R0107](#)
- o. Bachelor degree in Political Science, Montana State University-Billings [ITEM 134-2703-R0107](#)
- p. Teaching option in Political Science, Montana State University-Billings [ITEM 134-2704-R0107](#)
- q. Certificates of Applied Science in Automotive Technology and Welding Technology, Montana State University-Northern [ITEM 134-2801-R0107](#)
- r. Certificates of Applied Science in Accounting Assistant, Dental Assistant, Health Information Coding Specialist, Medical Billing Specialist, and Medical Transcription, Montana State University-Great Falls College of Technology [ITEM 134-2851-R0107](#)
- s. Certificate of Applied Science in Welding Technology in Bozeman, Montana, Montana State University-Great Falls College of Technology [ITEM 134-2852-R0107](#)

INFORMATION

- 3:30 P.M. a. Legislative update on issues that impact academic & student affairs
- b. Update on mental health conversation. [Link](#)
 - 1. Initially held in Fall 2005.
 - 2. With special report from UM-Missoula on its suicide prevention program.
- c. Report on Aviation Program in Bozeman, MSU-Great Falls College of Technology. [Link](#)
- d. Additional Information on Policy 940.29, post-baccalaureate students. [Link](#)

CONSENT

- 4:00 P.M. a. Level I memorandum. [Link](#)
- 4:15 P.M. PUBLIC COMMENT
- 4:30 P.M. ADJOURN

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Minutes
Academic & Student Affairs Committee Teleconference
December 21, 2006

Regent Lynn Hamilton, Committee Chair, called the meeting to order at 10:04 a.m.

Roll Call.

Deputy Commissioner Roger Barber took roll: all committee members were present.

ACTION

- a. Certificate in Practical Nursing, Flathead Valley Community College.
Item 128-301-R0905. Deputy Commissioner Roger Barber recommended that the item be approved with the proviso that Flathead Valley Community College bring all courses into compliance with the model and report that accomplishment to the Board of Regents at the September, 2007 meeting.
Regent Taylor moved to carry this forward to the full Board of Regents. Motion passed 4-0.
- b. Resolution on International Studies. Item 134-103-R0107.
Regent O'Loughlin moved to carry this forward to the full Board of Regents. Motion passed 4-0.

Public Comment

No additional comments were offered.

Chair Hamilton adjourned the meeting at 10:56 p.m.

Next meeting will be held February 28, 2007.

Submitted by Jeanne Horvath.



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Minutes
Academic & Student Affairs Committee
November 15, 2006

Regent Lynn Hamilton, Committee Chair, called the meeting to order at 11:03 a.m. and introduced the three other committee members: Regent Lila Taylor, Regent Heather O'Loughlin, and Regent Janine Pease.

- a. Roll Call.
Deputy Commissioner Roger Barber took roll: all committee members were present.
- b. Review of the minutes from the September 27, 2006, meeting of the committee. Correction of Regent Pease's first name was noted. Regent Taylor moved to adopt the agenda. Motion carried.

ACTION

Policy items

- a. Revisions to Board of Regents' policies 301.11 and 301.12, dealing with credit totals in degree programs. Item 133-101-R1106.
Regent Taylor moved to adopt the revisions. Motion passed 4-0.
- b. Revisions to MUS General Education Core. Item 133-102-1106.
Extensive discussion of six operational rules preceded Chair Hamilton's decision to consider the revised MUS Core separately from those rules.
Regent Taylor moved to recommend the revised MUS General Education Core to the full Board of Regents. Motion passed 4-0. Chair Hamilton asked for more work on the operational rules.
- c. Indian Education for All plan for academic and research activities. Item 133-103-R1106.
Regent O'Loughlin moved to carry this forward to the full Board of Regents for approval. Motion passed 4-0.

Level II Action items

- d. ITEM 132-1001-R0706 B.S. and minor in Wildland Restoration, The University of Montana-Missoula.
Perry Brown, Dean of the College of Forestry and Conservation, The University of Montana, reported on the collaboration on this program between The University of Montana and Montana State University since the September Board of Regents meeting. **Regent O'Loughlin moved to recommend approval of this item to the full Board of Regents. Motion passed 4-0.**
- e. ITEM 132-1502-R0706. Center for Advanced Supramolecular and Nano Systems, Montana Tech of The University of Montana.
This item was delayed until the next meeting. Provost David Dooley, Montana State University-Bozeman, gave an update. **Possibilities and recommendations may be reported to the Board of Regents at the January meeting.**
- f. ITEM 132-1503-R0706. Center for Advanced Mineral and Metallurgical Processing (CAMP), Montana Tech of The University of Montana.
This item was withdrawn per a November 14, 2006 memorandum from Frank Gilmore. According to that memo, CAMP has been an MUS Center since its approval by the Commissioner of Higher Education, Carrol Krause, on November 29, 1989.
- g. ITEM 32-2010-R0906. B.S. in Bioengineering, Montana State University-Bozeman.
Provost Dooley said this degree is based on collaboration with Istanbul (Turkey) Technical University and will result in two degrees, one from each institution. Members of the committee had several questions of Provost Dooley, then **Regent O'Loughlin moved to forward to full Board of Regents for approval. Motion passed 4-0.**
- h. ITEM 132-2011-R0906. Option in Clinical Nurse Leader as part of the Master of Nursing degree program, Montana State University-Bozeman.

Elizabeth Nichols, Dean of the College of Nursing, spoke about this modification of an existing program, now introduced as a new program. **Regent O’Loughlin made a motion to approve. Motion carried 4-0.**

- i. ITEM 132-2012-R0906. Ph.D. in Ecology and Environmental Sciences, Montana State University-Bozeman.
Faculty Council Chair Shannon Taylor said the faculty council examined the proposals for both this Ph.D. and for the B.A. in American Studies (following) in light of MSU-Bozeman’s 5-year mission. The Council supported both offerings. **Regent Taylor moved to carry this forward to the full Board of Regents. Motion passed 4-0.**
- j. ITEM 132-2013-R0906. B.A. in American Studies, Montana State University-Bozeman.
Regent Taylor moved to approve this item. Motion passed 4-0.
- k. ITEM 132-2701-R0906. Certificates of Applied Science in Accounting Assistant, Assistant Drafter, Automobile Collision Refinishing Technician, Automobile Collision Repair Technician, Automotive Technology, Diesel Technology, Medical Coding and Insurance Billings, Networking, Office Assistant, and Welding and Metal Fabrication, Montana State University-Billings College of Technology.
Chair Hamilton suggested Items “k” and “l” be considered together. Regent Taylor moved to forward these to the full Board of Regents for approval. Motion passed 4-0.
- l. ITEM 132-2851-R0906. Certificates of Applied Science in Computer Assistant, Creative Arts Enterprise, Fundamentals of Business, General Office Assistant, Legal Receptionist and Medical Receptionist, Montana State University-Great Falls College of Technology.
See above item discussion and results.
- m. ITEM 132-401-R0906. Certificate in Agriculture/Agribusiness, Miles Community College.
Regent Taylor moved to approve. Motion passed 4-0.
- n. ITEM 132-201-R0706. A.A.S. in Engineering Technology, Dawson Community College.
Jim Cargill, President of Dawson Community College, explained that this proposal is driven by local industry and business. **Regent Taylor moved to approve the program. Motion passed 4-0.**

INFORMATION

- a. Program review reports from the campuses of the Montana University System.
Deputy Commissioner Barber said that this policy is a new one. Every program must be reviewed at least once during a seven-year cycle. **Regent O’Loughlin inquired about student involvement in the process.**
- b. Summer and fall enrollment reports – Tyler Trevor.
A more complete discussion of the reports was postponed until the full Board of Regents meeting. While this data has been gathered for a long time, it has not been shared with the Board of Regents. Now it will be an ongoing report.
- c. College Preparatory Program Report.
The College Preparatory Program Report is an annual report of college prep versus non-college prep students GPAs and their success in college. **Chair Hamilton asked Deputy Barber to make recommendations on the focus of the current exemption policy.**
- d. Additional information on Policy 940.29, post-baccalaureate students.
Chair Hamilton suggested drafting a policy decision. Regent Pease suggested referring this issue to another committee, like the Work Force committee. The Committee asked for additional information on financial aid and supported the idea of a student poll to determine career plans. **Chair Hamilton decided the requested information would come back to this committee; after the committee members have discussed the policy, they will send it to other committees.**
- e. 2006 ACT and SAT scores in Montana – Jan Clinard.
Because of time constraints this item was again postponed.
- f. MUS General Education Core on-line – Tom Gibson.
Tom Gibson, Director of Distance Learning Business Development, Office of the Commissioner of Higher Education, briefly discussed the project to have the MUS General Education Core available on-line. **The Academic & Student Affairs Committee endorsed the project and asked Director Gibson to proceed.**

CONSENT

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

Public Comment

No additional comments were offered.

The meeting adjourned at 2:58 p.m.

Next meeting will be held February 28, 2007.

Submitted by Jeanne Horvath.

February 28 – March 2, 2007

ITEM 133-102-R1106:

Approval of Some Operational Rules for the Montana University System General Education Core

THAT:

The Montana Board of Regents adopts the attached operational rules for the Montana University System General Education Core. The rules will assist both students and their advisors as they work with the Core.

EXPLANATION:

The operational rules were presented to the Montana Board of Regents at its November 2006 meeting. After extensive discussion, the Academic & Student Affairs Committee of the Board asked the Montana University System General Education Council to discuss the proposed rules again, particularly in light of some of the questions raised by the Committee. The Council is making the proposed recommendations to the Board:

- the attached operational rules are very similar to the original set of rules submitted to the Board in November 2006. The proposed rules, and their November 2006 predecessor, are included with this item.
- Operational Rule 4 is new, and is recommended by the Council to insure that students have coursework in both written and oral communications as required by the Northwest Commission on Colleges and Universities.
- the previous Operation Rule 4 has been dropped, and is now included in the “please note” suggestion following the six rules.
- Operational Rule 2 is retained, since it reflects the current practice on all of the campuses as students work on institution-specific general education programs. For example, if students “test out” of the freshman-level writing course, they are still expected to complete another writing class to satisfy that requirement.
- Operational Rule 6 is retained, since it only requires three (3) additional upper division credits at two of the campuses.

Operational Rules For the Montana University System Core

Operational Rule 1. In order to satisfy the Montana University System (MUS) Core, students must successfully complete at least one course that includes significant content related to the cultural heritage of American Indians. It could be a course in the cultural diversity category, or it could also be a course in any other category, as long as it has the appropriate content.

Operational Rule 2. In order to successfully complete the Montana University System Core, students must earn the minimum number of credits in each of the six (6) categories of coursework. Students can only use credit-bearing competency tests or coursework to satisfy the MUS core.

Operational Rule 3. Coursework can only be used once to satisfy the requirements of the MUS Core. It cannot be “double counted” to satisfy the requirements of more than one category.

Operational Rule 4. In order to satisfy the requirements of the Communications area, students must successfully complete a combination of courses that include significant content in both written and oral communications.

Operational Rule 5. Students must satisfy the “minimum grade” requirements established by Board of Regents’ Policy 301.5.3, along with any exceptions to that policy that may have been established by their program of study. Information about those exceptions may be found at: <http://mus.montana.edu/transfer/highermingrades.htm>

Operational Rule 6. Transfer students should remember that completion of the MUS Core means that they have satisfied the general education requirements at the 100 and 200-level when they move to their new campus. They will not be required to complete additional general education classes at the lower division course level. If their new campus has general education requirements at the 300 and 400-level, however, transfer students will be expected to satisfy those requirements, according to Board of Regents’ Policy 301.10 concerning general education transfer. The most common example is an upper division writing requirement on some of the campuses.

Please note: As students work on the Montana University System general education core, they should attempt to select classes that are also required in their major. That efficient use of coursework could help students complete their degree more quickly, since the classes could be used to satisfy both the requirements of the major and the requirements of the MUS General Education Core.

February 28 – March 2, 2007

ITEM 134-101-R0307:

Approval of the Operational Rules for Provisional Admission to the Montana University System

THAT:

The Montana Board of Regents approves the attached operational rules that:

- clarify the meaning of provisional admissions, as that term is set out in Regents' Policy 301.16, Writing Proficiency; and
- describe the status of students who have been provisionally admitted to the Montana University System.

EXPLANATION:

Four-year institutions in the Montana University System are currently admitting the first group of students who are expected to demonstrate their writing skills under the above-referenced policy. Several questions have come up concerning the status of those students, and hopefully the operational rules answer those questions.

The most important rules are probably:

- Number 2, which establishes a limit on the length of time students can continue their provisional admissions status. In effect, provisional admissions status would not continue indefinitely.
- Number 5, which establishes a transition period for students who apply for admission to a four-year degree program without one of the requisite writing proficiency scores. By Fall 2009, all students seeking admission to a four-year degree program must be able to demonstrate that they have the requisite proficiency. If they cannot, then those students can still be admitted to a two-year degree program.

The working group has also proposed two admissions letters, which describe the writing proficiency expectations of the Montana University System and the status of students who are provisionally admitted.

Operational Rules
For the
Provisional Admissions Status
Created by Montana Board of Regents
Policy 301.16, Writing Proficiency

Montana Board of Regents' Policy 301.16, which establishes writing proficiency standards for the Montana University System, states in Section I.D.:

*A student who has not yet demonstrated the ability to meet these standards may be admitted (without condition) to a two-year degree program or **admitted provisionally** to a four-year degree program on any campus of the Montana University System. (Emphasis added.)*

In order to provide some guidance for the institutions that make up the Montana University System, as they work with provisionally admitted students, the following operational rules have been implemented:

Operational Rule 1. The institutions that make up the Montana University System will use two (2) standard admission letters for students who are provisionally admitted under Policy 301.16.

- a) Letter A will be used for students who completed at least one of the proficiency measures outlined in Policy 301.16, but their writing proficiency is below the thresholds established in that Policy. Those students may be provisionally admitted to a four-year degree program, and Letter A explains what they need to do to be fully admitted.
- b) Letter B will be used for students who completed none of the proficiency measures outlined in Policy 301.16. Those students may be provisionally admitted to a four-year degree program, and Letter B will explain how they can obtain a writing score and what they need to do to be fully admitted. **Part b) of Operational Rule 1 will only apply during the 2006 – 2007 and 2007 – 2008 transitional years** of Policy 301.16.

Operational Rule 2. If students have been provisionally admitted, they must change that status to full admission before the end of three semesters or the completion of 32 credits in the Montana University System, whichever event occurs first. The criteria for full admission are set out in Montana Board of Regents' Policy 301.16.I.E. If students do not comply with this operational rule, their provisional admissions status will be revoked and they will not be able to continue their matriculation in a four-year degree program. The Registrars at each of the four-year campus will monitor student progress to assist with the implementation of this rule.

Operational Rule 3. Students who are provisionally admitted to the Montana University System may declare a major.

Operational Rule 4. Students who are provisionally admitted will not be required to take a limited number of credits. They may be advised and encouraged to take a reduced number of credits while they work on their writing skills.

Operational Rule 5. By Fall 2009, when the Montana University System Writing Proficiency standard is fully operational, all students who apply to a four-year degree program must be able to demonstrate their writing skills under the methods described in Policy 301.16.I.A. and C.

Operational Rule 6. The term “provisional admission” has a particular meaning in the Montana University System, under Montana Board of Regents’ Policy 301.16. It cannot be used to describe any other admissions status or situation in the System.

Operational Rule 7. Because provisional admission has a particular meaning associated only with writing proficiency expectations, it does not change existing rules within the Montana University System concerning financial aid, scholarship eligibility, satisfactory academic progress, academic probation or suspension rules, and so on.

February 28 – March 2, 2007

ITEM 134-1004-R0307

Approval of Proposed University System/Employee License Agreement; The University of Montana

THAT:

The Board of Regents of Higher Education approves The University of Montana-Missoula (“UM” herein) to enter into a Licensing Agreement with America’s Professor LLC (“AP” herein), a for-profit company in which UM faculty members Jack Morton and Jerry Furniss own all equity interests, subject to approval of the licensing agreement by the UM President and Commissioner of Higher Education. The Board of Regents further approves Professors Morton and Furniss serving as AP’s directors and officers, as well as working part-time as AP employees, while the proposed Licensing Agreement is in effect, subject to all UM and Board of Regents policies in effect or as adopted or amended and further subject to the approval of faculty conflict of interest management plans in accordance with UM and Board of Regents policy.

EXPLANATION:

Overview

Dr. Jack Morton and Dr. Jerry Furniss are full-time faculty employees of UM. They seek approval to hold equity in, to serve on the governing board of, and to serve as part-time employees of America’s Professor, a company which owns intellectual property developed and owned by Morton and Furniss, during the time AP maintains a licensing agreement with UM. (A copy of a proposed agreement is attached). AP will operate in accordance with a licensing agreement negotiated with UM. UM does not now, and will not, own an interest in the property or software developed by these employees, but the licensing agreement will provide to UM a share in the proceeds from all America’s Professor courses offered, whether they are taken for UM credit and for professional certification only.

Drs. Morton and Furniss, as well as others involved in this project, have disclosed their financial and personal interests in the project and written conflict of interest management plans are in place for Drs. Morton and Furniss. Under BOR Policy 407 and MCA § 20-25-109, Montana University System (MUS) employees must have BOR approval to serve as officers, employees, or members of a board of directors or governing board of any company or other entity which has an agreement with, or shares ownership of intellectual property with, the MUS, relating to the development, licensing or commercial exploitation of that intellectual property.

Background

Dr. Morton and Dr. Furniss have been offering business professional courses in a face-to-face format for many years as UM-approved external consulting activities. These courses target business professionals preparing for professional certification exams or

meeting professional continuing education requirements primarily in the real estate, insurance and securities fields. Morton and Furniss have previously done business as the Connole-Morton Real Estate School, through which entity they taught courses in real estate certification and insurance certification alternately several times each year. America's Professor is now developing a computer platform allowing delivery of the course content using streaming video and text downloading. The proposed arrangement will allow AP to offer these courses through the AP-owned course delivery system as UM courses.

Course Offerings

Some of the courses will be available for academic credit. All classes taken for university credit will be subject to UM and BOR policies relating to academic classes, continuing education and distance learning. Students taking courses for credit will pay the course charge and a tuition charge. Net revenues from AP course fees and other AP revenue will be split between AP and UM on a 75%-25% basis.

America's Professor will also offer AP courses on a non-credit basis for certification only. For such courses the net revenue will be split as indicated above. All courses will be delivered over the internet using an AP-proprietary state-of-the art computer platform designed to deliver streaming video and text downloading. Additional business professional courses may be developed and offered in accordance with the licensing agreement and UM policy.

The training courses offered will be targeted to the business professional and not to existing UM students. UM is not now able, and has not been able for the last 30 years, to expand its business curriculum to include business professional development and training classes because the School of Business Administration's first priority for its limited faculty resources is to meet the teaching demands for its undergraduate and graduate course offerings. Thus this project contemplates bringing in new dollars from new students and is not intended to compete for UM's existing students.

Fiscal Issues

Revenue will be generated from three sources: course registration fees, tuition, and the sale of supplemental online training material developed by AP. AP will bear 100% of the operating expenses up to the breakeven point, estimated to be approximately 1400 students annually. Above the breakeven point, AP will be entitled to a 12% instructors' fee per course computed after expenses and 75% of the net revenue from the project. Tuition will not be included in AP gross revenues, but UM will pay to Drs. Morton and Furniss an amount (approximately \$4,000) for development of each online course offered for credit and an amount (approximately \$2,000) for

teaching such a course, pursuant to existing UM practice.

In exchange for AP's development and maintenance of the platform and use of the course materials, UM will contribute indirect costs associated with the limited use of film production facilities and building space allocation in the School of Business Administration (valued at FMV) and will allow the use of the UM name and logo on the AP website, in accordance with UM policies.

Benefits to The University of Montana

This project meets the stated purposes of BOR Policy 407: to enhance student learning opportunities, to attract resources for the support of unit programs, and to promote local, regional, and national economic development.

The arrangement will be beneficial to UM. First, it will attract resources for the support of UM programs. UM will reach a wider population than currently enrolled students. Because AP's classes are targeted to the business professional, the revenue stream will be new. The potential net revenues are significant. Professors Morton and Furniss have an impressive track record in terms of attendance. Last year, the number of students taking the face-to-face classes exceeded 2,000. AP forecasts a larger online enrollment, but even the estimated net revenues from an enrollment of 2,000 would result in a positive cash flow to the university.

Second, UM will benefit from having quality professors delivering quality training to business professionals across the country, which will reflect positively on UM.

Third, student learning opportunities will be enhanced. Montana business professionals in remote locations will have ready access to high quality instruction needed for business professional licensure, certification and related needs from highly experienced UM Business School faculty without incurring the relatively high cost of leaving their homes and businesses to take the courses.

ATTACHMENT:

Proposed Licensing Agreement

SUBMISSION FORM

University System/Employee Intellectual Property Joint Participation
MUSP 407

This form is to be submitted with any Board of Regents item whereby a campus seeks the approval of an agreement with or arrangement regarding an employee pursuant to 20-25-109 MCA and Regents Policy 407.

When the submission concerns matters of trade secrets or confidential business information, or any other matter entitled to privacy under state or federal law (e.g., the federal statute known as Bayh/Dole) the submitting campus may request consideration of the submission, in whole or in part, in executive session.

The submitting campus should also provide the Commissioner a copy of the contract(s) that form the basis for the cooperative arrangement for which approval is sought. Submission of the contract does not indicate a conclusion that all or part of the contract is a public document and the question of whether it is in whole or in part protected from public disclosure will be evaluated on a case by case basis.

1. Summarize the nature of the intellectual property that was developed by the employee seeking approval. Indicate the sources of funding for the research that resulted in this invention.

The intellectual properties developed by The University of Montana School of Business Administration (SOBA) Professors Morton and Furniss are professional educational courses in the fields of real estate, insurance, and securities, among others, for professional licensure exam preparation, professional certifications and designations, and continuing professional education. Additional intellectual property includes a state-of-the-art online computer delivery system entirely designed and paid for by Morton and Furniss.

No research funds were used to develop this intellectual property. The professors have, with University of Montana permission, operated an approved, private, external consulting for-profit business offering face-to-face exam preparation courses for professional certifications for many years. They are currently developing the proprietary course delivery system.

2. a. Name(s) of the university employee(s) involved.

**Jack Morton
Jerry Furniss
Other SOBA faculty to be contracted with as needed**

- b. Name(s) of business entity(ies) involved.

America's Professors, LLC – a Montana limited liability company

3. The university and employee(s) are seeking approval for (check as many as appropriate):

- a. The employee to be awarded equity interest in the business entity.
- b. The employee to serve as a member of the board of directors or other governing board of the business entity.
- c. The employee to accept employment from the business entity.
- d. Other. Please explain. **Royalty payments pursuant to the proposed Licensing Agreement.**

4. a. Summarize the nature of the relationship between the university and the business entity (e.g., the entity is licensing the intellectual property from the university, the entity is co-owning the intellectual property with the university).

The University of Montana and America's Professors will be collaborating on offering these exam preparation classes and continuing professional education classes on-line. America's Professors shall retain full ownership of the intellectual properties, but license the intellectual properties to UM to offer for UM credit. AP will offer the courses for certification only, or non-credit, in collaboration with UM. Access to the online courses shall be through AP's proprietary computer platform with the approved use of the UM logo on the AP website. A 4-member committee comprised of Professors Morton and Furniss, the UM Business School Dean and the UM Continuing Education Dean, will prepare a comprehensive annual plan of proposed courses, proposed staffing for those courses, and a proposed AP program budget, which will be submitted to the UM Provost for approval. The UM Legal Counsel's office will assist the committee to ensure compliance with all applicable laws. UM will handle all fee collections for these courses. Professors Morton and Furniss will work pursuant to individual conflict of interest management plans, and as stipulated in the proposed Licensing Agreement, will not reduce their regular faculty workload obligations as set forth in the UM faculty collective bargaining agreement.

- b. The proposed duration of the agreement or arrangement.

An initial 5 year term – with a 2-year renewable option.

- c. The conditions under which the agreement may be terminated or dissolved.

Material breach of the Agreement or Operating Costs significantly in excess of Gross Revenues over an 18 – 24 month time period. Or by 60-day termination notice given by either party to the other party.

5. Explain specifically how the University System or the State of Montana will likely benefit from the agreement or arrangement.

a. **The University of Montana will benefit from having quality professors delivering quality training to professionals across the United States which will reflect the quality of this institution.**

b. **The University will receive 25 percent of all net revenues from non-credit certification course fees; and additional revenues from academic credit course fees as determined by Montana University System policy applicable to online academic credit courses. The potential net revenues derived from this arrangement are significant. The professors have an impressive track record in terms of attendance when offering these classes in a face-to-face setting. Last year, the number of students taking the face-to-face classes exceeded 2,000. At those numbers, the estimated net revenues from this arrangement would result in a positive cash flow to the University.**

c. **Montana business professionals in remote locations will have ready access to high quality instruction needed or desired for business professional licensure, certification, and related needs from highly experienced University Business School faculty without incurring the relatively high cost of leaving their homes and businesses to take the courses. In addition, those training courses approved for academic credit will enable a large number of Montanans to use these credits in pursuit of first or additional baccalaureate degrees.**

d. **The University will receive the benefit of valuable intellectual property created from the content of courses which have successfully been delivered, and will continue to be delivered, for many years. The reputation of these courses in Montana and nationally is very high, and the University will benefit directly by having these courses identified as University courses.**

6. Summarize the financial terms of the agreement or arrangement. Include:

a. The value, nature and source of the University's contribution.

The University of Montana School of Business Administration shall contribute office space, telephone lines, and film production facilities to this arrangement. The estimated value of the in-kind contribution is \$24,000 annually, before inflation.

b. The value and nature of the employee's contribution.

AP's two principals (Morton and Furniss) are personally paying approximately \$178,000 to design the electronic course delivery system. This amount will be recouped by AP from the Gross Revenue generated by the activities contemplated in this Agreement. In addition, AP will cover any and all revenue deficits in the unlikely event annual enrollment does not reach the estimated breakeven point of 1400 students.

- c. The anticipated revenue to be generated by the project and the time line for generating such revenue.

If 2000 students enroll for non-credit on-line training in the first year, the estimated Gross Revenue is approximately \$498,000. From this amount, Operating Expenses of \$207,360 are subtracted, leaving \$290,645 Net Revenue. The Net Revenue would go directly to reimbursing America's Professor for the intellectual property development costs of \$178,000, leaving in the first year, Net Revenue of \$112,640 available to distribute to the parties. UM's 25 percent share would be \$28,160. Assuming a second year enrollment of 2000 students, the Net Revenue available to split would increase to \$290,640. UM's 25 percent share in the second year would be \$72,660.

Academic credit expenses and revenues will be calculated separately based on The University of Montana and Montana University System policies applicable to online academic credit activities generally.

- d. The manner in which revenue and expenses will be shared by the parties.

With regard to courses not offered for academic credit, Net Revenue will be split 75 percent to AP and 25 percent to UM. The Net Revenue is calculated by Total Revenue less Operating Costs. America's Professor will be responsible for all non-UM Operating Costs.

With regard to courses offered for academic credit, revenue and expenses will be calculated and negotiated pursuant to The University of Montana and Montana University System policies applicable to online academic credit courses generally.

- e. The nature of each party's equity interest in the project. If none, so indicate.

America's Professor – 75 percent of Net Revenue for non-credit course fees plus academic credit course fee revenues in an amount to be negotiated.

The University of Montana – 25 percent of Net Revenue plus academic credit course fee revenues in an amount to be negotiated.

CONFLICT MANAGEMENT PLAN FOR JERRY FURNISS

Background

1. Dr. Jerry Furniss, has taught in the School of Business Administration at The University of Montana (UM) for approximately 20 years. Much of his teaching and research has been in the areas of business principles and the legal environment of business.
2. In addition to his teaching and research, Dr. Furniss has also had an outside consulting practice whereby he provides teaching services for the Connole-Morton Insurance School, LLP. The classes are primarily exam preparation and continuing professional education for insurance and securities professionals. The classes were not developed as a part of Dr. Furniss' regular university duties. Therefore, UM has no ownership in the intellectual property.
3. Dr. Furniss has disclosed this consulting practice to the dean of the School of Business Administration and has operated with the School's guidelines regarding time spent on outside activities for the last 19 years.
4. Dr. Furniss has expressed an interest in developing an online system to deliver these classes, and other professional development classes, to people across the State of Montana and across the country. As a result, and with UM's approval, Dr. Furniss has established a Limited Liability Company, America's Professor, LLC (the LLC), for the purpose of developing the online course delivery system. Dr. Furniss will deliver the insurance and securities classes currently delivered face-to-face as well as develop and deliver other professional development courses. Dr. Furniss holds a 50% equity interest in America's Professor LLC, which constitutes a significant financial interest. He also serves on its Board of Directors and is a Managing Member of the LLC. His annual income from this activity is expected to exceed \$10,000 annually.
5. UM is interested in having the capability to offer online courses on a reliable platform system that includes streaming video of professors' lectures. UM is also interested in expanding its offerings of credit courses online. Further, UM wishes to support local economic development through commercialization by Montana companies such as the LLC.
6. The LLC currently intends to use outside contractors to perform the online system development as well as outside firms for the marketing and sales function of the business.
7. The LLC will share 25% of its net revenue with UM in exchange for use of identified UM facilities and the use of the UM logo on the America's Professor Web site.

8. In order to adequately manage any apparent or actual conflicts of interest created by his interest in America's Professor, LLC, Dr. Jerry Furniss has agreed to the safeguards described below.

Safeguards

Jerry Furniss agrees and represents as follows:

1. He has received approval from the Board of Regents in accordance with Policy 407, allowing his participation in the LLC as described above.
2. He will fully complete all his faculty and research assignments, his work for the LLC will in no way interfere with his UM work, and he will use no university resources in the conduct of his work for the LLC other than the resources identified in the collaborative agreement with UM.
3. He will serve on a joint committee with the UM Provost, the UM Dean of Continuing Education and the UM SOBA Dean (or any of their designees) to coordinate all activities subject to the license agreement. This committee shall meet at least semi-annually. The UM Legal Counsel or Associate Legal Counsel will also serve on this committee to ensure the activities undertaken meet all applicable UM or other legal requirements. This committee also has the right to inspect the LLC's financial and accounting records upon reasonable demand.
4. In his supervision of any UM work study students or graduate assistant students on loan to the LLC (if any), Dr. Furniss will receive approval from the SOBA Dean before making any decisions which would involve a direct benefit or detriment (e.g., hiring, firing, promotions, evaluation, salary, leave, retention) to that student.
5. He will not employ any UM student in the LLC who is contemporaneously enrolled in a UM class taught by a member of the LLC.
6. He will disclose to UM his interest in the LLC if the LLC proposes to sell any equipment to UM.
7. Annually, by September 30th, Furniss will report to the SOBA Dean concerning compliance with this Plan. The SOBA Dean will then confirm to the Office of Legal Counsel Furniss' continuing compliance with this plan.
8. Furniss acknowledges that UM will monitor and evaluate this plan as well as policies related to it, and, at any time should UM determine, in its sole discretion, that the plan is not sufficient to guard against actual or apparent conflicts of interest or commitment or otherwise not in the interests of UM, it may revise or terminate this agreement.

Acknowledgement and Agreement

By signing below, I acknowledge my intent to comply with the safeguards laid out in this Plan.

Jerry Furniss

Dated: _____

DRAFT – 2/07/2007

THE UNIVERSITY OF MONTANA AND AMERICA’S PROFESSOR, LLC

LICENSING AGREEMENT

Agreement made and entered into this ____ day of February, 2007 (the “Effective Date”) between America’s Professor, LLC (“AP” or “Licensor” herein), of 1819 Holburn, Suite E, Missoula, Montana 59801, and The University of Montana (“UM” or “Licensee” herein), 32 Campus Drive, Missoula, MT 59812.

RECITALS

WHEREAS, AP is a Montana Limited Liability Company equally owned by Jack Morton and Jerry Furniss, both tenured professors in the School of Business Administration (SOBA) at UM; and

WHEREAS, AP is the owner of certain Intellectual Properties (as later defined herein) and has the right to grant licenses under said Intellectual Properties; and

WHEREAS, AP desires to have the Intellectual Properties commercialized to the mutual benefit of AP and UM, and to benefit the State of Montana, the public, government, and commerce; and

WHEREAS, UM desires to enter into a Licensing Agreement (Agreement) with AP and AP desires to enter into a Licensing Agreement with UM to offer online delivery of exam preparation, professional certifications and designations, and continuing professional education courses, the Intellectual Property ownership of which belongs to AP, in the areas of real estate, insurance, and securities, with various of these courses also offering UM academic credit subject to all required UM and Montana Board of Regents requirements applicable to academic credit courses generally; and

WHEREAS, AP desires to provide opportunities for UM faculty to develop and deliver online course offerings in the areas listed above, among others, using a state-of-the-art electronic course delivery platform and system designed and financed by AP; and

WHEREAS, UM desires to obtain a license from AP for the Intellectual Properties upon the terms and conditions hereinafter set forth; and

WHEREAS both AP and UM may desire to enter into other individual agreements that will commercially exploit copyrights currently under development after receiving the approval of the UM Provost (as approval is later defined herein); and

WHEREAS other programs, projects and copyrights can be added to this License Agreement by mutual consent of AP and UM.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

ARTICLE 1 - DEFINITIONS

For the purposes of this Agreement, the following words and phrases shall have the following meanings:

1.1 "Licensor" shall mean AP, any related company owned or controlled by AP, or any company owning more than fifty percent (50%) membership interest in AP.

1.2 "Intellectual Properties" shall mean all of the following Licensor intellectual properties:

- (a) All course materials for real estate exam preparation, insurance exam preparation and securities exam preparation; and continuing education classes for licensed real estate, insurance and securities professionals;
- (b) The AP course delivery system including a proprietary server platform capable of delivering streaming video and text downloading;
- (c) The AP website with proprietary design for stream-lined inquiries and course registrations; and
- (d) any non-U.S. counterparts of (a), (b) or (c).

1.3 A "Licensed Product" shall mean any on-line course or course materials or part thereof which utilizes Intellectual Properties.

1.4 "Net Revenue" shall mean Licensee's revenues from direct sales of course materials and course registration and certification fees. Deductions shall be made for Operating Expenses as defined in Article 6.1 (c)(2).

1.5 "Territory" shall mean world wide.

ARTICLE 2 - GRANT

2.1 AP hereby grants UM the exclusive right and license for the use of Intellectual Properties and, to the extent not prohibited by other copyrights, to use and sell Licensed Products for the term of this Agreement, except for AP's exercise of termination rights pursuant to Article 11 of the Agreement.

2.2 The license granted hereunder shall not be construed to confer any rights upon UM by implication, estoppel or otherwise as to any intellectual property not specifically set forth herein.

ARTICLE 3 - ROYALTIES

3.1 For the rights, privileges and license, UM shall pay royalties to AP in the manner hereinafter provided to the end of the term of the Agreement. Royalties will be calculated only from course enrollment and direct sales of course materials for exam preparation courses and continuing education classes. For the exclusive access to AP's Intellectual Properties and other AP resources, for each commercial application or use of Licensed Product, UM will pay AP royalties at a rate of seventy-five percent (75%) of Net Revenue.

3.2 As noted in Article 8.1 below, UM shall credit one hundred percent (100%) of royalties due AP under Article 3.1 against AP's reasonable copyright costs and other costs of protection of Intellectual Properties (estimated to be \$178,000) until all such costs are reimbursed.

ARTICLE 4 - SCOPE AND DESCRIPTION

4.1 Description. The activities subject to this Agreement shall be conducted jointly under the names of AP and UM, located in the SOBA on UM-Missoula Campus.

4.2 Scope. Any offering by AP that is connected to UM, through the granting of UM certificates, academic credit, or both, shall be considered an offering pursuant to this Agreement and approval of all such certificate and credit offerings shall be handled through UM decision-making requirements and procedures applicable to these kinds of activities.

4.3 Cost to UM. UM will incur an annual indirect cost equivalent to the fair market value of the limited use of SOBA office space and filming production facilities by AP. In fiscal year 2008, the fair market value of these resources is estimated to be approximately \$24,000. The fair market value in the remaining term of this Agreement shall reflect an annual adjustment for inflation.

ARTICLE 5 - STRUCTURE & ACTIVITIES

5.1 Management and Authority. AP shall have responsibility for managing all instructional activities subject to this Agreement, although exercise of this responsibility shall at all times be done pursuant to UM and Montana University System policies and requirements.

5.2 Development of Additional Online Courses.

(a) In the event that a UM faculty member provides content, instruction, or both, used on the AP platform, the faculty member owns the intellectual property provided and is entitled to compensation for such content and instruction in an amount to be determined pursuant to applicable UM and Montana University System policies.

(b) Nothing in this Agreement shall restrict Professors Morton or Furniss from developing content for UM courses or providing UM instruction on the AP platform, and receiving compensation for such content or instruction to the same extent as other UM faculty would be entitled to receive.

5.3 Collaborative Intent. The parties agree not to engage in any act not required by law which is likely to impair materially each other's interests or which may have a material adverse effect on the performance of this Agreement by either party

5.4 Decision-making Structure. A committee of four (4) persons, including the SOBA Dean or Dean's designee, the UM Continuing Education Dean or Dean's designee, as well as Professors Morton and Furniss, shall coordinate all activities subject to this Agreement. This committee shall submit to the UM Provost or Provost's designee all recommended course listings, staffing, content, promotion and marketing, and costs; and subject to applicable UM and Montana University System course policies and requirements generally, the Provost shall have final approval authority over all proposed activities subject to this Agreement. The committee shall meet at least semi-annually, and more frequently as necessary. Any committee member or the UM Provost may call committee meetings. The UM Legal Counsel or Associate Legal Counsel shall attend all committee meetings for the purpose of ensuring that activities subject to this Agreement meet all applicable UM and other legal requirements.

5.5 To the extent required by UM or Montana University System policies, any academic credit course offered pursuant to this Agreement shall be subject to review and approval as set forth in these policies.

5.6 AP agrees to comply with all UM legal requirements and policies in any promotion or marketing of activities subject to this Agreement, including the use of UM-owned intellectual property and UM identity as identified in Article 10.

5.7 Nothing in this Agreement authorizes a reduction in regular UM faculty instructional and other work assignments for Professors Morton and Furniss or other UM faculty engaged in activities pursuant to this Agreement as such assignments are determined pursuant to the UM-University Faculty Association Collective Bargaining Agreement.

ARTICLE 6 - FINANCIAL TERMS

6.1. Non-credit Course Activities

(a) Division of Revenues: Subject to sub-section (b) below, the Net Revenue derived by the non-credit course activities subject to this Agreement, calculated at the end of each fiscal year, shall be divided among the parties as follows: AP shall receive seventy-five percent (75%) of Net Revenue as its royalty payment under Article 3.1 and UM shall retain twenty-five percent (25%) of Net Revenue. UM, through UM Continuing Education, shall collect and account for such revenues and pay AP quarterly, with any necessary adjustments made by UM at the end of each fiscal year.

(b) In any fiscal year, in the event Operating Expenses exceed Gross Revenue, AP shall bear all Operating Expenses in excess of Gross Revenues and shall AP shall not seek reimbursement for any deficiency from UM.

(c) Net Revenue Calculation: The Net Revenue contemplated in this Agreement shall be calculated by subtracting Operating Expenses from Gross Revenue as follows:

- (1) Gross Revenue - to include all online non-credit certification course fees collected and direct sales of course materials for exam preparation courses and continuing professional education courses.
- (2) Operating Expenses shall include the following:
 - i. Operational Expenses, including the following categories:
 1. AP Support Staff;
 2. AP IT Infrastructure;
 3. AP Student Payment Processing;
 4. AP Course Support;
 5. AP Marketing;
 6. AP Processing and certification fees;
 7. UM Direct Costs, if any; and
 8. AP New Course Production Costs.
 - ii. A 12 percent AP Content and Instructor Fee (based on a Net Revenue percentage).
 - iii. A 4 percent AP Program Administration Fee (based on a Net Revenue percentage).

6.2 Academic Credit Courses. The academic credit portion of course fees, operating expenses and revenue distribution shall be governed by UM and Montana University System policies applicable to online education for similar academic credit activities.

6.3 Operating Expense Review. All Operating Expenses set forth in Article 6.1(b)(2) above shall be reviewed and accounted for annually by the committee referenced in Article 5.4 above.

ARTICLE 7 - REPORTS AND RECORDS

UM shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable to AP hereunder. Said books of account shall be kept at UM 's principal place of business or the principal place of business of the appropriate division of UM to which this Agreement relates. Said books and the supporting data shall be open for review, upon notice to UM and during UM's regular business hours, for five (5) years following the end of the calendar year to which they pertain, to the inspection of AP or its agents for the purpose of verifying UM 's royalty statement or compliance in other respects with this Agreement. Should such inspection lead to the discovery of a greater than ten percent (10%) discrepancy to AP's detriment in payment of royalties owing hereunder, UM agrees to pay the full cost of such inspection.

ARTICLE 8 – COPYRIGHT COSTS

8.1 In lieu of up-front licensing fees, UM shall reimburse AP during the term of this Agreement for all reasonable copyright costs and other costs for protection of Intellectual Properties covered by this Agreement; such reimbursements shall be credited against one hundred percent (100%) of royalties due as provided in Article 3.1, above. The filing and

registration of all other copyrights that may subsequently fall under this Agreement shall be negotiated in good faith between AP and UM.

8.2 Payment of all fees and costs relating to the registration and maintenance of the Intellectual Properties covered by this Agreement shall be the responsibility of AP, whether such fees and costs were incurred before or after the date of this Agreement.

ARTICLE 9 –COPYRIGHT PROTECTION

9.1 UM shall inform AP promptly in writing of any alleged infringement of the Intellectual Properties by a third party and of any available evidence thereof. Likewise AP shall inform UM promptly in writing of any alleged infringement of Intellectual Properties by a third party.

9.2 During the term of this Agreement, UM shall have the right, but shall not be obligated, to prosecute at its own expense all infringements of the Intellectual Properties and, in furtherance of such right, AP hereby agrees that UM may include AP as a party plaintiff in any such suit, without expense to AP. The total cost of any such infringement action commenced or defended solely by UM shall be borne by UM and UM shall keep any recovery or damages for past infringement derived therefrom.

9.3 If within three (3) months after having been notified of any alleged infringement, UM shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting an infringement action, or if UM shall notify AP at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, AP shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Intellectual Properties, and AP may, for such purposes, use the name of UM as party plaintiff; provided, however, that such right to bring such an infringement action shall remain in effect only for so long as the license granted herein remains exclusive. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of UM, which consent shall not unreasonably be withheld. Any recovery of damages by AP for each such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of AP relating to such suit. The balance remaining from any such recovery shall be divided equally between UM and AP.

9.4 In the event that UM shall undertake the enforcement and/or defense of the Intellectual Properties by litigation, UM may withhold up to one hundred percent (100%) of the payments otherwise thereafter due AP under Article 3 hereunder and apply the same toward reimbursement of up to half of UM 's actual documented expenses, including reasonable attorneys' fees, in connection therewith. Any recovery of damages by UM for each such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of UM relating to such suit, and next toward reimbursement of AP for any payments under Article 3 past due or withheld and applied pursuant to this Article 9.

9.5 In the event that a declaratory judgment action alleging invalidity or noninfringement of any of the Intellectual Properties shall be brought against UM, AP, at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.

9.6 In any infringement suit as either party may institute to enforce the Intellectual Properties pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

9.7 UM, during the exclusive period of this Agreement, shall have the sole right in accordance with the terms and conditions herein to sublicense any alleged infringer for future use of the Intellectual Properties; royalties under such sublicenses shall be treated per Article 3.

ARTICLE 10 - NON-USE OF NAMES

Neither party shall use the names or trademarks of the other party, nor any adaptation thereof, nor the names of any of their employees, in any advertising, promotional or sales literature without prior written consent obtained from such other party, in each case.

ARTICLE 11 - TERM AND TERMINATION

11.1 Subject to Article 11.2 below, this Agreement’s term shall be 5 years from Effective Date, renewable for 2 year terms thereafter pursuant to mutually acceptable terms and conditions. Parties agree to good faith negotiations of any renewal.

11.2 The Agreement shall terminate upon notice of any of the following events:

(a) Material breach of any terms of this Agreement that remain uncured after notice of such material breach and a 60-day cure period.

(b) When Operating Costs materially exceed Gross Revenues over a significant time period. This Agreement contemplates this to mean Operating Costs 20 – 25 percent higher than Gross Revenues over an 18 – 24 month time period.

11.3 Either party may withdraw from this Agreement for good cause, or upon a determination that it is in the withdrawing party’s best interest, by giving the other party at least 60 days’ written notice of intent to withdraw.

11.4 Upon termination, AP shall immediately cease using UM premises and UM identity in any course activity subject to this Agreement except for courses approved and started prior to termination. All revenue allocation obligations subject to this Agreement shall remain in force with regard to any course or other activity initiated by any particular student registrants prior to termination.

ARTICLE 12 - ASSIGNMENTS AND TRANSFERS

Neither party shall assign or transfer any rights, obligations or responsibilities subject to this Agreement without the prior written consent of the other party. Any transfer or assignment made without such consent shall not relieve the transferor or assignor of any obligation or responsibility subject to this Agreement.

ARTICLE 13 - DISPUTE RESOLUTION

To the fullest extent possible, any dispute arising under this Agreement shall be subject to the same dispute resolution procedures and requirements as those contained in the UM-University Faculty Association Collective Bargaining Agreement.

ARTICLE 14 - HOLD HARMLESS/INDEMNIFICATION

The parties agree to protect, defend, and hold harmless each other and each other's elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the indemnifying party's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the negligent or other tortious acts or omissions of the indemnifying party and/or its agents, employees, representatives, assigns, subcontractors under this Agreement.

ARTICLE 15 - REQUIRED INSURANCE

15.1 General Requirements. AP shall maintain for the duration of the contract, at its cost and expense, insurance against claims, proceedings, demands and liabilities of any kind whatsoever, including legal expenses and reasonable attorneys' fees, arising out of the death or injury to persons or out of any damage to property, including contractual liability, which may arise from or in connection with the performance of the work by AP, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

15.2 Primary Insurance. AP's insurance coverage shall be primary insurance as respect to UM, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by UM, its officers, officials, employees or volunteers shall be excess of AP's insurance and shall not contribute with it.

15.3 Specific Requirements for Commercial General Liability. AP shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$3,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of AP or its officers, agents, representatives, assigns or subcontractors.

15.4 Additional Insured Status. UM, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of AP, including the insured's general supervision of AP; products and completed operations; premises owned, leased, occupied, or used.

15.5 Specific Requirements for Professional Liability. AP shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per occurrence and \$3,000,000 aggregate per year to cover such claims as may be caused by any act, omission, negligence of AP or its officers, agents, representatives, assigns or subcontractors.

Note: if “occurrence” coverage is unavailable or cost prohibitive, AP may provide “claims made” coverage provided the following conditions are met: (1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

15.6 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by UM. At the request of UM either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects UM, its officers, officials, employees, or volunteers; or (2) at the expense of AP, AP shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

15.7 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best’s rating of no less than A- indicating compliance with the required coverages, has been received by UM. AP must notify UM immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. UM reserves the right to require complete copies of insurance policies at all times.

ARTICLE 16 - COMPLIANCE WITH WORKERS’ COMPENSATION ACT

AP is required to comply with the provisions of the Montana Workers’ Compensation Act in accordance with sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers’ compensation insurance, an independent contractor’s exemption, or documentation of corporate officer status. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to UM, upon expiration. Any UM employee who is also employed by AP in any capacity may not make a claim on UM’s Worker’s Compensation policy if the employee is injured or killed while acting on behalf of AP.

ARTICLE 17 - COMPLIANCE WITH ANTI-DISCRIMINATION, MONTANA PUBLIC EMPLOYEE CONFLICT OF INTEREST & OTHER LAWS

AP must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including, but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by AP subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, AP agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract. In addition, all AP principals and personnel who are also UM employees (including AP course instructional personnel who are also UM, MUS or State of Montana employees), shall comply with all Montana public employee conflict of interest and other ethics legal requirements pursuant to a

UM conflict of interest management plan for each such UM, MUS, or State of Montana employee.

ARTICLE 18 - PAYMENTS, NOTICES
AND OTHER COMMUNICATIONS

Any payment, notice or other communication pursuant to this Agreement shall be sufficiently made or given on the date of mailing if sent to such party by certified first class mail, postage prepaid, addressed to it at its address below or as it shall designate by written notice given to the other party:

For The University of Montana:	For America’s Processors, LLC
Claudia Denker, Associate Legal Counsel The University of Montana Office of Legal Counsel 32 Campus Drive Missoula, MT 59812 Telephone: 406-243-4755	Jerry Furniss, Managing Member America’s Professor, LLC 1819 Holburn, Suite E Missoula, MT 59801 Telephone:

ARTICLE 19 - MISCELLANEOUS PROVISIONS

19.1 This Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the state of Montana.

19.2 The parties hereto acknowledge that this Agreement sets forth the entire Agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto.

19.3 The provisions of this Agreement are severable, and in the event that any provisions of this Agreement shall be determined to be invalid or unenforceable under any controlling body of the law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.

19.4 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party.

19.5 The parties agree that confidential information delivered or disclosed by either party to the other party in connection with the review and transactions contemplated in this Agreement shall not be disclosed or used except for the purposes contemplated in this Agreement, without the consent of the other party. Information shall not in any event be deemed to be confidential information if it is (i) in the public domain without violation of the terms of

this Article; (ii) known by the party receiving it before receipt hereunder; (iii) received from a third party without violation of a nondisclosure obligation of that third party to the party delivering or disclosing the information; (iv) independently developed by or for the party receiving the information and not directly or indirectly derived from or based upon information delivered or disclosed hereunder; or (v) a disclosure required by law. The obligations of confidentiality shall survive termination of this Agreement for a period of five (5) years.

IN WITNESS OF THE ABOVE, the parties have executed this Agreement at Missoula, Montana the day and year first above written.

LICENSOR:
AMERICA’S PROFESSOR, LLC

LICENSEE:
THE UNIVERSITY OF MONTANA

By: _____
Dr. Jack Morton, Member

By: _____
George M. Dennison, President

By: _____
Dr. Jerry Furniss, Member

January 18-19, 2007

ITEM 134-1001-R0107

Approval To Add A New Option In Inequality And Social Justice To The B.A. And M.A. In Sociology

THAT:

In accordance with The Montana University System Policy, The Board of Regents of Higher Education authorizes the University of Montana-Missoula, The Department of Sociology, approval to add an Option in Inequality and Social Justice the B.A. and M.A. in Sociology.

EXPLANATION:

The University of Montana requests approval for the Department of Sociology to add an Option in Equality and Social Justice to the B.A. and M.A. in Sociology.

When approved, The University of Montana--Missoula will be the only institution of higher education in the State to offer an option in Inequality and Social Justice within the Bachelor of Arts and Master of Arts programs. This proposed curriculum will substantially strengthen both undergraduate and graduate programs at The University of Montana--Missoula. This new option builds upon the existing research and teaching expertise of the Sociology faculty as a whole, in such areas as race, gender, and class, social stratification, poverty, social change, and political sociology. Importantly, the Inequality and Social Justice Option provides coherence to the sociology curriculum, with practical application of the degree options.

The Inequality and Social Justice Option in Sociology will benefit the State of Montana in dealing with problems of low wages, impoverished communities, and growing hunger. Students who graduate with this undergraduate or graduate option will be more informed as to the causes and consequences of inequality, and therefore will be in a better position to contribute to efforts to effect positive social change.

ATTACHMENTS:

Level II Request Form; New Academic Program Proposal Summary; Proposal for Inequality and Social Justice Option

January 18-19, 2007

ITEM: 134-1002-R0107 **Approval of Proposal to Add a Certificate in Entertainment Management to the Masters of Accountancy Program and the Master of Business Administration Program.**

THAT: In Accordance with the Montana University System Policy, the Board of Regents of Higher Education authorizes The University of Montana to offer a Certificate of Entertainment Management within the Masters of Accountancy and Masters of Business Administration programs.

EXPLANATION: The School of Business Administration currently offers courses in Entertainment Management. These courses can be combined with other existing graduate courses in Information Systems and in the MBA Program to create a 15-credit certificate available to Masters of Accountancy and Masters of Business administration students. Demand for graduates of both programs in service industries such as entertainment is high. This certificate will allow select Masters of Accountancy (MAcct) and Masters of Business Administration (MBA) students to obtain a specialty certification by directing 9 elective credits in their respective Masters programs plus take two additional courses (6 credits) in Entertainment Management. The current MAcct and MBA programs without the certificate are 30 and 32 credits respectively. Students obtaining the Certificate in Entertainment Management in the MAcct program will take a total of 36 credits; those in the MBA program will take a total of 38 credits.

January 18-19, 2007

ITEM 134-1003-R0107

Approval Of Computer System Technician One-Year Certificate

THAT:

In accordance with Montana University System Policy, the Board of Regents of Higher Education authorizes The University of Montana-Missoula, College of Technology to create a Computer System Technician, one-year Certificate Program.

EXPLANATION:

The growth and deployment of information technology continues to impact all professional fields in the private and public sectors. Rapid job growth for Computer Support Specialists is predicted over the next ten years. The College of Technology requests approval to create a one-year certificate program to provide a trained workforce to support the continued growth of information technology. The program will consist of 31 credit hours of technical and professional coursework with industry affiliation through CompTIA's A+ Computer Technician Program.

ATTACHMENTS:

January 18-19, 2007

ITEM 134-1004-R0107

Undergraduate Minor In Gerontology

THAT:

In accordance with Montana University System Policy, the Board of Regents of Higher Education Authorizes the University of Montana-Missoula, The College of Health Professions and Biomedical Sciences and the College of Arts and Sciences to create a new interdisciplinary Minor in Gerontology.

EXPLANATION:

The University of Montana requests approval for The College of Health Professions and Biomedical Sciences and The College of Arts and Sciences to create a new interdisciplinary undergraduate Minor in Gerontology. It will be housed in the School of Social Work, which is an academic unit of the College of Health Professions and Biomedical Sciences, with oversight provided by the Institute for Gerontology Education. This minor, which includes both didactic required and elective courses in combination with practicum experiences, would provide students with a broad understanding of the needs of older persons and their families in the areas of social concerns, health issues, and economics of aging. Students choosing this minor will be able to apply their knowledge of aging issues in their respective majors, preparing them to become leaders within the state. The minor will provide students in a variety of disciplines with a relevant and specialized set of knowledge and field experiences that can be translated into marketable skills in their respective fields.

January 18-19, 2007

134-1006-R0107

Approval of Proposal to Add Certification in Entrepreneurship to the Master of Business Administration Program

THAT:

The Board of Regents of Higher Education authorizes the The University of Montana – Missoula to offer a Certification in Entrepreneurship within the Masters of Business Administration program.

EXPLANATION:

The School of Business Administration currently offers a variety of elective courses at the graduate level in Entrepreneurship. Many of these courses are weekend seminars taught in the MBA Program by adjunct faculty who teach graduate courses at other MBA schools including Temple University, Penn State University, UC Irvine, and the University of Utah. Other Entrepreneurship electives are taught by tenure-track faculty in conjunction with entrepreneurs who volunteer their time as members of the Montana Academy of Distinguished Entrepreneurs. These courses can be integrated with Internships and other experiential courses to create a 15-credit certificate available to Masters of Business Administration students. The current MBA program without the Certification is 32 credits. Students obtaining the Certification in Entrepreneurship in the MBA program will take a total of 38 credits.

January 18-19, 2007

ITEM 134-1008-R0107

Approval of A B.A. Major In Communicative Disorders

THAT:

In accordance with Montana University System Policy, the Board of Regents of Higher Education authorizes The University of Montana-Missoula to create a Bachelor of Arts major in Communicative Disorders.

The state of Montana is experiencing a critical shortage of speech-language pathologists, and establishment of this program, which will provide both aides/assistants and a pool of qualified applicants for the coupled master's program, will help to alleviate this shortage. This requested degree was offered at The University of Montana-Missoula prior to program retrenchment in 1989. The bachelor's degree prepares graduates for advanced study in speech-language pathology and/or audiology, or to enter the profession as a clinical aide or assistant in one or both of those professions.

January 18-19, 2007

ITEM 134-1009-R0107

Approval of a M.S. major in Speech-Language Pathology

THAT:

In accordance with Montana University System Policy, the Board of Regents of Higher Education authorizes The University of Montana-Missoula to create a Master of Science major in Speech-Language Pathology.

EXPLANATION:

The state of Montana is experiencing a critical shortage of speech-language pathologists and establishment of this program is a requisite first step in alleviating this shortage. This requested degree was offered at The University of Montana-Missoula prior to program retrenchment in 1989. At the time of its demise the program and its faculty were nationally recognized, and the intent of this proposal is to re-establish a program of that caliber and repute. The master's degree is the first professional degree in this discipline, and as such the intent is for this program to be accredited by the American Speech-Language-Hearing Association (ASHA) and for graduates to be eligible for the Certificate of Clinical Competence in Speech-Language Pathology (CCC-SLP). Program graduates will be highly sought after for employment in schools and clinical settings.

July 12, 2006

ITEM 132-1502-R0706

Authorization to Establish the Center for Advanced Supramolecular and Nano Systems (CASANS): Montana Tech of The University of Montana

THAT:

The Board of Regents of Higher Education authorizes the establishment of the Center for Advanced Supramolecular and Nano Systems (CASANS) at Montana Tech of The University of Montana in collaboration with The University of Montana.

EXPLANATION:

The Center for Advanced Supramolecular and Nano Systems (CASANS) at Montana Tech of The University of Montana will initiate a long-term and multidisciplinary program in collaboration with The University of Montana to continue, as well as develop new activities involving supramolecular and nano systems. The goals are fourfold. First is to provide the infrastructure for improved research and development activities in supramolecular and nano systems. Second is to enhance existing activities and initiate new ones in order to study, research, and advance these systems. Third is to apply supramolecular and nano systems to bioengineering, biomedical, homeland security, functional and composite materials, coatings, catalysts, sustainable development, smart and recognition technology, circuits and sensors, environmental remediation, resource recovery, and energy. Fourth and foremost is to expand existing, attract outside, and initiate new businesses.

This Center was initially submitted to the Board of Regents in September 2006. Because both the Office of the Commissioner of Higher Education and Montana State University-Bozeman expressed concerns about possible overlap with an already existing nanotechnology center at MSU-Bozeman, the campuses were asked to explore the advantages and disadvantages of one large research center for the State of Montana. An outside consultant was brought in to assist with those discussions, and reports from the consultant, Montana Tech of The University of Montana and Montana State University-Bozeman immediately follow this item page.

The recommendation of almost all the parties who participated in those discussions, including the consultant, is two separate centers.

MEMO

TO: Roger Barber, Deputy Commissioner for Academic & Student Affairs

FROM: Doug Abbott, VCAAR

CC: Frank Gilmore, Chancellor
George Dennison, President/Acting Provost

DATE: February 1, 2007

RE: Status of CASANS

On January 6, 2007 representatives from Montana Tech (Tech), The University of Montana (UM), Montana State University (MSU) and industry personnel met at Fairmont to discuss the proposed Center for Advanced Supramolecular and Nano Systems (CASANS). The format of the meeting included technical presentations by MSU, UM, Tech, and industry representatives as well as a roundtable discussion. Richard Laine from the University of Michigan acted as the moderator.

Summary reports by all parties involved indicate that the overwhelming consensus of the group was that the State of Montana should proceed with two centers. Each center should focus on a specific niche market with the MSU center focusing on “nanobio” and the UM/Tech center focused (but not limited to) “nano-inorganic.” The participants also discussed the potential for future collaboration between the two centers. For example, CASANS personnel would have access to the characterization capabilities at MSU while CASANS solid state NMR and 3-D plotter would be available to CBIN researchers. Participants at the meeting were excited about future collaboration between the two centers.

The supporting documentation to this memo (“CASANS Board of Regents Responses” attachment) includes summary reports developed by: Courtney Young (Tech), Richard Laine (University of Michigan), Joe Figueira (Tech), Ed Rosenberg/Jim Staub (UM), and Trevor Douglas/Dave Dooley (MSU) as well as an email “string.”

If you need further information from me, please call.

Nanotechnology in the State of Montana

An outside perspective, based presentations made during a Jan. 6, 2007 meeting at Fairmont Hot Springs

Richard M. Laine

Professor, Department of Materials Science and Engineering

Director, Macromolecular Science and Engineering

University of Michigan

Founder: Nanocerox (1996), Mayaterials (2003), NANO-Alpha (2006)

Objectives

The overall goal of the meeting was to evaluate the potential for creating an umbrella organization that might be called the Montana Nanotechnology Institute (MNI, my suggestion only). Secondary goals include the assessment of whether one or perhaps two separate sites might be chosen for MNI. Additional secondary goals were to introduce the “players” to each other and identify possible mutual research interests, potential projects that fall within the realm of Nanotechnology.

Players

The state of Montana has a loose knit association of researchers at Montana State University (MSU), University of Montana, Montana Tech of the University of Montana, and a number of companies and business units. The latter include, Renewable Energy Corp., Resodyne Corp., and MT Enviromet. The representation at the Fairmont meeting was excellent and diverse.

Presentations

All participants were allowed approximately 10 min, with the exception of the MSU presentations, which were 15 min each, as each speaker represented multiple researchers. All were Power Point presentations, which will be available to all participants. The talks ranged from details of already completed studies that clearly focused on nanotechnology to talks that were targeted towards the researcher or research group moving into the nanotechnology field. Perhaps most important were the talks from the above cited companies that actually have Nanotechnology products.

General comments

First, MSU has a well-established “Nanobio” center with exceptional funding, highly qualified researchers and excellent collaborative efforts. The research products (papers, technology transfer and international reputation) are exceptional at all levels, as might be found at any first-tier research institution including Berkeley, MIT, UIUC, Northwestern, (Yes also University of Michigan), etc.

Having said this, it is important to note that “Nanotechnology,” or Nano Science and Engineering covers multiple fields ranging from photonics, to electronics to structural materials, to “Nanobio,” etc. Major rewards for those conducting cutting edge research in all these areas are expected and already forthcoming.

It is certain that everyone at the meeting can contribute to MNI no matter how it is configured. Indeed, from the perspective of the State of Montana, the key is what will the state get out of it?

If we assume that the state has the desire to create jobs, protect Montana’s environment, create wealth, etc; if we also assume that researchers in the state would like to improve their image as a

whole, Nationally and Internationally (see comment on first-tier above); then the creation of MNI should build on its (the state's) strengths to ensure that research and researchers are of the highest quality possible but focused on a "Montana First" attitude.

What are Montana's strengths? Mining and Minerals (Montana Tech), Husbandry and Fishing, etc. So, these are potential focus areas. The MSU Nanobio center seems to be self-propagating and perhaps does not need more focus. But the participants might best be served by examining how they might use Montana's strengths to their advantage.

For example, the fact that Renewable Energy Corp. produces nanosilicon particles as a byproduct is potentially very exciting from multiple perspectives. Not the least is the potential to make high quality nano ceramic powders including silicon nitride and carbide but also silicon quantum dots for display, bio-assays etc. Enviromet produces nanoparticles of considerable use for environmental clean-up. Commercial products in this area are already under development at other small companies as well. Resodyne has developed commercial products that provide useful methods of dispersing large quantities of nanoparticles...perhaps just what Enviromet needs. Thus, there are already hints of joint projects on the horizon.

The purpose of this statement is not just to suggest specific avenues of research but to provide an overview. How can MNI help researchers in Montana become internationally recognized? How can MNI at the same time help the State of Montana.

This observer has a strong opinion that can be best phrased as: "In order to be visible, you have to be visible." One has to go out and get noticed and work at being visible to maintain visibility and receptiveness to one's brand of Science, Engineering and/or technology. To stay visible the Science has to be "World Class."

The breadth of Nano...is so great that no one can be everything to everybody. Thus, MNI should be organized with clearly identified and narrowly defined areas of science, engineering, etc...that permit MNI researchers to do World Class work that emphasizes their and Montana's strengths.

MSU has already developed an excellent and internationally recognized area of specialization in Nanobio. There is an obvious division, the remaining groups and companies do things related to inorganic materials with some significant flavoring of environmental science and engineering.

Based on these general observations, some specific comments for MNI can be made vis a vis visibility, etc.

Specific comments

The following is not meant to be comprehensive because this reviewer's exposure was over a period of about 4 h and was not an in-depth immersion in the community. However, it is made under the assumption that MNI will be established.

Academic Board

Quality research must be a first goal to establishing visibility. MNI must be willing to create an outside board consisting of both Academics and "Nano" technologists (This latter part is hard to do). This board should be available to interact with MNI personnel and people wanting to join. The board will be charged to evaluate the quality, quantity and relevance to MNI and Montana State goals.

If there is seed money, then the board must be willing to evaluate proposals for selected amounts of seed money (next section).

Seed money

Based on experience with large center grants to the University of Michigan and elsewhere, the following is suggested. If the participants of the Fairmont meeting are truly interested in proposing MNI to the State of Montana, then they should ask as part of the creation of MNI for seed funds for at least \$250k/year to fund one or two year projects without overhead. In principle, 7 page proposals

to develop nanoscience would receive up to \$50k for one year. This could include matching funds for instrumentation, or for large proposals to outside entities. Again, the outside board would serve to review these proposals.

Symposia

Montana is a wonderful place to visit, MAM-04 attracted a member of the National Academy of Engineering (C. Jeffrey Brinker) who came to go hiking and fishing as part of his visit. By organizing regular nanotechnology symposia, MNI could build respect for itself and visibility.

Distance learning

Still another route towards visibility is to develop sets of nanotechnology courses focusing on what you do best that will attract students and therefore actually bring in dollars. It will also provide visibility. It may be that along with the above symposia, workshops on nano as part of the distance learning could be held on campus.

Technology Transfer

MNI should also develop a cohesive mechanism for technology transfer that covers all members. It appears, from the talks by the selected industrial partners that came to the Fairmont meeting that there is an excellent chance to create new businesses in Montana that actually serve Montana's needs plus the chance to create new jobs and income. Indeed, any effort to get State funding for MNI should include a minimum budget of \$250k for patenting/technology promotion per year. This reviewer spent three years at the University of Washington in the Washington Technology Center (WTC) from 1987-1990 as a research professor. WTC was created by the State of Washington to develop spin-off companies from research done in the State of Washington so that the State would not be so beholden to Boeing and the Lumber industry for income. WTC exists but it did not get off to a good start because it was given only \$100,000/year to patent IP developed within the State of Washington by more than 300 researchers. This is the basis of the suggested budget of \$250k.

For example, it seems that MSU has the opportunity already to create spin-offs within the state from its technologies. This is recommended as an alternative to sending the technology outside. The latter should always be a second goal if funds cannot be realized.

Note that it is very important to establish ties with Industry no matter where and MSU's CBIN is doing the right thing to begin with.

The former could be helped thought creation of a center for helping individuals write for SBIR contracts and grants.

Recommendations.

Based on the above discussion, the following recommendations are offered. Recall that they are based on a four hour interaction with the members of the Fairmont meeting. However, they also are based on what this reviewer's experience with "Nanotechnology," including its pitfalls and hype.

It is in the best interests of the State of Montana to create something that could be called MNI. If we assume that it is somewhat like the State of Washington's creation, the WTC, then the State of Montana should consider investing upwards of \$10 million dollars over a period of 5-10 years in MNI.

This reviewer suggests that it would be reasonable to create two centers, one an outgrowth of CBIN which would be further ahead than the entity CSANS. The MSU center should continue focusing on "Nanobio." Their share of the funds could go to creating an Internationally recognized center with its own building (with outside matching funds). Part of the funds should be directed

towards creating spin-off companies within Montana. The remainder could be used to match proposal applications for furthering.

A second center should be created out of CASANS focused (but not limited) to Nano-inorganic materials perhaps targeting environmental technologies. The organization here could either build on the model of CBIN or choose models that are extant at other Universities, e.g. WTC. I can suggest as models, the Energy Institute or the Institute for Environmental Sustainability recently created here at the University of Michigan. In this instance, it may be very valuable for this center to work closely with industry including Resodyne, Renewable Energy Corp. and Enviromet, etc to develop optimal focus. Funding for both centers should be approximately equal; however, the goals and uses of the funds for CASANS will always be very different. It may be reasonable to eventually build a building but certainly the development of laboratories with highly specialized instrumentation would be valuable.

For example, in my department at University of Michigan, we have both EMAL and XMAL as well as electron microscopy and X-ray analytical laboratories. These laboratories have multiple instruments that provide high quality services for both University personnel and for local companies. Thus, a center for high quality, solid state NMR or Trace element analyses (industrial waste or water quality assessment/characterization). Again the funds could be used as matching funds for center proposals etc.

Respectfully submitted,



Richard M. Laine
Professor of MSE and
Director, Macromolecular Science and Engineering

To: Doug Abbott, VCAA&R, Montana Tech

Fr: Courtney Young, Dept Head, Metallurgical & Materials Engineering, Montana Tech

Cc: Joe Figueira, AVCR&GS, Montana Tech
 Ed Rosenberg, Chemistry Professor, U of Montana-Missoula
 Trevor Douglas, Biology Professor and CBIN Director, MSU-Bozeman

Dt: January 26, 2007

Re: **Establishment of CASANS as BofR Recognized State Center of Excellence**

In late September of 2006, the Board of Regents (BofR) of The State of Montana considered an agenda item to establish a nanotechnology center at Montana Tech of The University of Montana (MT Tech) in conjunction with The University of Montana – Missoula (UMT). The center was titled Center for Advanced Supramolecular and Nano Systems (CASANS). In essence, Montana State University – Bozeman (MSU) objected to the state having two nanotechnology centers due to their Center for Bio-Inspired Nanotechnology (CBIN) already being established. After hearing testimony, the BofR asked that the three schools have a meeting to decide what the best course of action should be and thereby determine if the state should have one center, two centers, or if something else might work.

Within a week, the three schools decided the best course of action was to have this “meeting of the minds” in the presence of a moderator. MSU suggested this meeting would best serve everyone’s interests if it was held off-campus at a site minimizing travel for all. In this regard, Fairmont Hot Springs Resort was selected. MSU also volunteered to pay for the costs of the meeting. Due to various travel plans of involved faculty members at the three schools and the difficulty of finding a moderator to coordinate with, this meeting was not held until January 6, 2007. Richard “Rick” Laine agreed to be the moderator. He is a Professor in the Department of Materials Science and Engineering at University of Michigan and also serves as the Director of Macromolecular Science and Engineering Center, one of several nanotechnology centers in Michigan.

About a month before the meeting, the meeting format was agreed to with CASANS presentations being in the morning, followed by a lunch break, and then CBIN presentations going in the afternoon and discussions occurring thereafter. As can be seen from the table below, each group was allotted 1.5 hours of presentation time with CASANS electing to do 9 presentations at 10 minutes per and CBIN electing to do 6 presentations at 15 minutes per.

Time	Presenter	Topic
10:00am – WELCOMING		
CASANS – MT Tech		
10:15am	Dr. Courtney Young	CASANS, pigments and coatings, industrial mineral connections
10:25am	Mr. John Krstulich	Freeform Fab, American Chemet/ASiMI-REC collaborations (CAMP)
10:35am	Dr. Dave Hobbs	Computations & modeling (RAVE & MIST)
10:45am	Dr. Rajendra Kasinath	Bio-engineering for bone synthesis and gene delivery

CASANS – UMT		
10:55am	Dr. Ed Rosenberg	Metal adsorption for recovery and treatment, collaborations with PSI
11:05am	Dr. Chris Palmer	Separations and sensors for pharmaceuticals and the environment
CASANS – Industry		
11:15am	Mr. Rob Kultgen	ASiMI/REC – Nano-polysilicon powder
11:25am	Dr. Larry Twidwell	MT Enviromet – Arsenic adsorption on nano-ferrihydrite
11:35am	Mr. Larry Farrar	Resodyn – Acoustic mixing
11:45am – LUNCH		
CBIN – MSU		
12:30pm	Dr. Trevor Douglas	CBIN, Nanomaterials synthesis, Characterization facilities
12:45pm	Dr. Yves Idzerda	Magnetic nano-materials
1:00pm	Dr. Mark Young	Protein cages for biomedical applications (drug delivery, MRI)
1:15pm	Dr. Trevor Douglas	Protein based catalytic materials
CBIN – Industry		
1:30pm	Dr. Trevor Douglas	Panasonic collaboration in two-dimensional arrays
1:45pm	Dr. Mark Young	Biomedical applications including drug delivery
2:00pm – DISCUSSION		

Because the presentations ended at 1:30, Dr. Kevin Jaansalu from Montana Tech was additionally allowed to present his work on the modeling nanoparticle production by explosive engineering and Rick Laine, the moderator, gave a short presentation defining nanotechnology and some of his research efforts. Following a short break, the discussion period commenced on time at 2:00pm. Each attendee was given 5-minutes maximum to express their thoughts on the best course of action for the State of Montana to pursue nanotechnology. Various thoughts were expressed but it was clear that the two centers were very diverse and therefore different:

- CASANS was industrially driven and in its infancy but needed more visibility in the three niche areas it had identified: green technology, composite materials, and actuators/sensors.
- CBIN was biologically inspired and well established with three easily identified niche areas: biomedical applications, magnetic materials, and catalytic materials.

In this regard, the thoughts of the moderator (Rick Laine) as well as the perspective minutes of faculty members/research directors of each of the three campuses are attached (Joe Figueira, MT Tech; Ed Rosenberg & Jim Staub, UMT; and Trevor Douglas & Dave Dooley, MSU). In short, the conclusions are:

- The State of Montana should have (at least) two nanotechnology centers (CBIN and CASANS) which reflected the opinions of all but one of the attendees.
- The centers need to collaborate by, at the minimum, having meetings and symposia similar to those already held by CASANS in Missoula (e.g., MAM'04). In the spirit of collaboration, all parties agreed to share their presentations with one another.

The meeting concluded at 3:30pm, half an hour before the scheduled time. It is noted that Rick Laine, in his response, also concluded that:

- The two centers should interact and collaborate through an umbrella organization perhaps called Montana Nanotechnology Institute (MNI) or, as I add here, a more catchy phrase called Montana Institutes of NanoTechnology (MINT).
- The umbrella organization would be directed by a member from each of the three campuses, would help the centers maintain their respective missions, would help oversee needed state investments in the centers, and would enable collaborations between the centers.

Unbeknownst to Rick, this was along the lines that Susan Patton, Montana Tech's previous VCAAR, proposed as a starting point to get the campuses together. However, it is also noted that the two centers would do this anyways through their collaborations.

Following receipt of the individual reports as attached, conversations among the campuses with the moderator continued over e-mail to clarify some of the discussions as well as the individual reports. Some of these e-mails are attached but not all for the sake of brevity. In essence, these e-mails stem from a statement that Rick Laine gave just prior to his concluding presentation. MSU, in their report, took that statement out-of-context and suggest that very little of the work at Montana Tech is truly "nano" in scope and therefore suggest that CASANS be renamed. The moderator's response as well as ours clearly state that this is not the case. However, we do agree that our research is more along the lines of conventional materials (as well as devices and systems) and is therefore more "inorganic" in nature and industrially-driven but is not bio-inspired as Rick Laine notes in his report.

In this regard, it is concluded that the acronym CASANS will remain as proposed and named; however, CASANS's Industrial Advisory Board will be contacted to see if the name should be renamed to, for example, include "Industrial" in its title.

Dear Chancellor Gilmore,

The MUS hosted a meeting last Saturday at Fairmont to discuss the issues raised by MSU to the BOR regarding the proposed CASANS and the need for two nanotechnology centers. It was structured as a series of short (10min) presentations by MUS faculty and industrial representatives. It was then followed by an open discussion on the question posed by the BOR. Dr. Richard Laine, Director of a Nano Materials Center at U. Michigan, served as the moderator for the discussion and also contributed some of his perspectives on the depth and breadth of the emerging research and applications of nanotechnology. In my presentation I reviewed the history of CASANS and its deliberate strong industrial focus and quoted some recent information (2006) from the APS Industrial Physics Forum where the nano-industry is projecting revenue increases from 2006 to 2008 for nano-enabled products of X5 in two years (32B\$ to 150 B\$) and an industrial R&D investment of X4 over the same period (3.2 B\$ to 12 B\$). Jim Staub, Associate Provost of UM, also attended and reinforced UM's position for a stand alone center with strong academic and research collaborations where appropriate.

The technical presentations were very informative and gave all the participants an opportunity to see the work underway at other institutions. It was clear from the presentations that the two efforts proposed by UM-MT and the ongoing work of MSU have a very different technical flavor. MSU's strong focus is on bio-inspired nanotechnology with strong patent positions in the protein cage concept. Four industrial partnerships are underway. Their current research is almost totally driven by public monies from competitive federal grants. The UM MT programs have a much stronger material sciences, environmental remediation and industrial chemistry focus and have a broader array of corporate partners and corporate funding.

At the end of the discussions, Ed Rosenberg asked all the participants for their opinion on the issue posed by the Board of Regents of one center vs. two. Most felt, and Rick Laine emphasized the point in his remarks, that the smaller nanotechnology programs such as Montana's need to develop a niche where they can compete and not stray from that focus. Having the two focused nanotech centers as currently proposed would carry out this suggestion. The overwhelming consensus of the group was that we should proceed with two centers but that we should institutionalize the workshop just completed on an annual or biannual basis and that we may want to explore ways to share the 5 or so courses currently being taught at UM, MT and MSU. Specific areas of technical collaboration were also discussed. MSU and UM participants were unanimous in favoring the two separate center concept. Montana Tech participants were overwhelming in favor with one contrary view.

I believe both Ed Rosenberg and Courtney Young will be preparing separate summaries. Since we have a consensus, I would suggest that we attempt to bring this issue to closure at the next BOR meeting.

Joe

Joseph F. Figueira, PhD
Associate Vice Chancellor
Research, Graduate Studies and International Affairs
Voice: 406-496-4456
FAX: 406-496-4334

**Summary Report of UM/Mtech/MSU Nano Meeting
Fairmont Hot Springs Jan 6, 2007**

List of Attendees

Name	Institution	Department/Center	E-Mail	Phone (406)
Trevor Douglas	MSU	CBIN/Chemistry	tdouglas@chemistry.montana.edu	994-6566
Mark Young	MSU	CBIN/Plant Sciences	myoung@montana.edu	994-5158
Yves Idzerda	MSU	CBIN/Physics	idzerda@physics.montana.edu	994-7838
Kevin Jaansalu	MT Tech	Met. & Mat. Eng.	kjaansalu@mtech.edu	436-4305
Chris Palmer	UM	Chemistry	r.palmer@umontana.edu	243-4079
Courtney Young	MT Tech	Met. & Mat. Eng.	cyoung@mtech.edu	496-4158
Lawrence Farrar	Resodyn Corp.	(Company)	lcfarrar@resodyn.com	497-5252
Joe Figueira	MT Tech	Vice Chancellor of Research	jfigueira@mtech.edu	496-4456
Larry Twidwell	MT Enviromet	(Company)	ltwidwell@mtech.edu	496-4208
Bill Gleason	MT Tech	Gen. Eng.	wgleason@mtech.edu	496-4815
John Krstulich	MT Tech/CAMP	CAMP	jkrstulich@mtech.edu	496-4838
Rob Kultgen	Rec Silicon	(Company)	rob.kultgen@recgroup.com	496-9843
James Staub	UM	Academic Affairs/research	james.staub@umontana.edu	243-4689
Richard Donovan	MT Tech	General Eng./RAVE	rdonovan@mtech.edu	496-4770
David Hobbs	MT Tech	Chemistry	dhobbs@mtech.edu	496-4194
Corby Anderson	MT Tech/CAMP	CAMP	canderson@mtech.edu	496-4794
Paul Miranda	MT Tech/CAMP	CAMP	pmiranda@mtech.edu	496-4579
Rajendra Kasinath	MT Tech	Bioengineering	rkasinath@mtech.edu	496-4835
Ed Rosenberg	UM	Chemistry	edward.rosenberg@mso.umt.edu	243-2592

Meeting Synopsis and General Outcomes

The meeting began at 10:15 AM and adjourned at 3:30 PM. The MTech and UM attendees and their industrial collaborators presented ten 10 minute talks highlighting their research efforts in nanotechnology. The three MSU representatives presented 1.5 hours of talks highlighting the research efforts in CBIN and the involvement of this center with industrial collaborations.

The meeting was moderated by Professor Richard M. Laine, Director of the Macromolecular Science and Engineering Center at the University of Michigan. He was invited in order to get an outside opinion about the status of nanotechnology in Montana. Following each presentation, Professor Laine asked questions and/or offered some very useful technical suggestions.

Following all of the talks, Dr. Laine gave a brief overview of the meaning and scope of nanotechnology. He then initiated a round table discussion where the issue of one center versus two centers was addressed. The general consensus was that CBIN was in a much higher state of development than CASANS and had a very different focus. Professor Laine offered the opinion that making one center would detract from the tight focus of CBIN and would actually hurt their funding efforts. With only one vote against, it was agreed that CASANS should go forward as a separate center and that the groups involved should find a tightly focused theme.

After the round table discussion Professor Laine offered some suggestions to the group about center development. He said that an interdisciplinary undergraduate education and training program in nanotechnology would fill a real need and could in fact involve the joint participation of both centers. To his knowledge there was only one such program in the country at SUNY Albany. This suggestion dovetails nicely with the current efforts at the UM COT for developing an associate degree in nanotechnology. Distance learning could play a vital role in these efforts and could be greatly enhanced by the MIST and RAVE computational centers at MTech currently being developed by Professors Hobbs and Donovan at MTech. He also said that patent development and intellectual property policies on all three campuses need to be examined in the light of promoting commercialization of research outcomes. Finally, he suggested that in order to increase our chances of DOD funding, where much of the interest in Nanotechnology is centered, PIs and center directors must have the support of the Universities for making face-to-face visits to DOD program directors. He said he would submit a more detailed written evaluation in a few weeks.

It was agreed that the meeting was informative, useful to all the attendees, and that such a meeting should be held every year or at least every other year with rotating campus sponsorship.

(Ed Rosenberg and Jim Staub)

Summary of the Montana Nano initiative meeting

Members of both the established Center for BioInspired Nanomaterials (CBIN) and the proposed Center for Advanced Supramolecular and Nano Systems (CASANS) at Montana Tech and the University of Montana met on January 6 2007 at Fairmont Hotspings resort.

Professor Richard Laine Director of the Macromolecular Science and Engineering Center at the University of Michigan acted as the moderator for the meeting. His report will be forthcoming but due to other commitments will probably not be available until the end of January.

The goal of the meeting was to present an overview of ongoing research and identify overlapping activities and future points of collaboration. One of the overall objectives of this day-long meeting was to ascertain if a single umbrella center was appropriate for Montana. The general consensus of the meeting was that there should not be a single nanoscience and technology center. It was also generally agreed upon that CBIN was a well-established Center with significant progress towards sustainability whereas the CASANS effort was still in its infancy. If the U of M/UMTech center proposal goes forward then it is more appropriate for there to be two distinct centers within the state each having different focus areas.

The proposed Center for Advanced Supramolecular and Nano Systems (CASANS) at Montana Tech and the University of Montana seeks board of reagents approval for establishment of a university center. It was generally accepted by participants at the meeting that a fairly narrow focused effort is necessary for a successful multi-investigator and multi-institutional center effort. The focus of the research presented under the CASANS umbrella was quite diffuse but generally was presented as being closely tied to local industry needs. We predict that until a clear research focus is defined, CASANS will struggle to establish itself as a competitive research center. Clearly the model for funding a center such as CASANS is likely to be industrial sources rather than competitive federal funding and in this regard is clearly different that CBIN.

The center research efforts appear to be focused on industrial separation and remediation issues associated with the mining industry and as pointed out by the moderator (Prof Richard Laine) very little of the current or proposed work is truly “nano” in scope. *We suggest therefore that the center name be rethought to avoid confusion.* The focus of the work is clearly more along the lines of more conventional materials.

Another general consensus of the meeting was to collaborate between institutions to efficiently utilize equipment and infrastructure and only where absolutely necessary to duplicate the acquisition of expensive equipment. A primary concern in this regard is the upkeep and maintenance of equipment over the long term.

The major area for enhanced interaction between the two groups lies in the characterization capabilities at MSU including electron microscopy (TEM and SEM), access to the synchrotron beamline for x-ray spectroscopic analysis, as well as an open invitation for all CASANS personnel to access facilities at ICAL and the MMF. In turn, facilities at U of M and UMTech such as solid state NMR and 3-d plotter could be accessible to CBIN researchers. This was clearly a very positive aspect of the meeting and participants were excited about the possibility of putting this in place.

State-wide education issues were also discussed including the mention of a future PhD program in Nanotechnology at U of M. For this to be a realistic and meaningful effort it would have to be a state-wide effort. One of Prof Laine's suggestion was for an educational focus in the area of nanoscience. Other suggestions were for a state-wide tech transfer office; for the development Montana –based start-up companies around nanotechnology that would benefit the state.

In summary, there is a genuine interest in promoting nanotechnology in the state. It was recognized that to be successful a narrow focus that is regionally and nationally significant must be adopted. The establishment of a new center should clearly provide opportunities and advantages to the participating institutions that would not be possible without the center structure. In this light the proposed CASANS center has clear potential but needs to be refined in terms of its focus, its mission, and its long-term sustainability.

(Trevor Douglas and Dave Dooley)

January 18-19, 2007

ITEM 134-2006-R0107

Approval to Establish a Minor in Latin American and Latino Studies, Montana State University-Bozeman

THAT:

The Board of Regents of Higher Education authorizes Montana State University-Bozeman to offer a Minor in Latin American and Latino Studies.

EXPLANATION:

Faculty of the Departments of Modern Languages & Literatures, and History & Philosophy in the College of Letters and Science request the creation of a Latin American and Latino Studies Minor. The minor will be housed in the Department of Modern Languages & Literatures and administered by two directors, one from each participating department. The proposed interdisciplinary minor provides a focal point for curriculum organization without requiring new courses to be taught. The proposal stems from steadily increasing student interest in Latin American History and Latin American Literature courses.

A Latin American and Latino Studies minor at MSU-Bozeman would further prepare students for the close relationships developing between Latin America and the United States. Trade agreements such as NAFTA and the proposed FTAA, a growing community of immigrant laborers, and the expansion of Latin American and Latino communities, will have significant impact on the U.S. Preparation in Latino Studies will increase students' employability, and more importantly, enable them to develop new and profitable partnerships with Latin American interests.

January 18-19, 2007

ITEM 134-2702-R0107

Approval of Proposal to Offer a Bachelor of Science in Outdoor Adventure Leadership; Montana State University-Billings

THAT:

The Board of Regents of Higher Education authorizes Montana State University-Billings to award a Bachelor of Science in Outdoor Adventure Leadership degree.

EXPLANATION:

A degree in Outdoor Adventure Leadership will help fill the need for experienced employees in a growing Montana industry. The Outdoor Institute Association published their seventh annual outdoor recreation participation study for 2004. According to this report Americans spend 18 billion dollars on human powered outdoor recreation each year and it is no surprise that many of them travel to Montana for our beautiful landscape and recreation opportunities.

January 18-19, 2007

ITEM 134-2703-R0107

Approval of Proposal to Offer a Bachelor of Science in Political Science; Montana State University-Billings

THAT:

The Board of Regents of Higher Education authorizes Montana State University-Billings to offer a Bachelor of Science in Political Science.

EXPLANATION:

As a comprehensive, regional, public university serving the educational needs of Montanans and accessible to all who are highly qualified, Montana State University-Billings has the primary mission of preparing students of all ages to be productive and responsible citizens, with special focus on the integration of education with service. The purpose of this proposal is to offer new undergraduate degree in Political Science at Montana State University-Billings. It rounds out the social science majors available to students in the College of Arts and Science and allows the institution to continue to produce secondary education graduates highly qualified to teach government classes. In addition it will allow MSU-Billings to meet state standards for certification and federal standards for highly qualified teachers.

January 18-19, 2007

ITEM 134-2704-R0107

Approval of Proposal to Offer a Bachelor of Science in Political Science, Teaching Certificate Option; Montana State University-Billings

THAT:

Montana State University-Billings seeks approval from the Montana Board of Regents of Higher Education to offer a Bachelor of Science in Political Science Teaching Certificate Option degree program.

EXPLANATION:

As a comprehensive, regional, public university serving the educational needs of Montanans and accessible to all who are qualified, Montana State University-Billings has the primary mission of preparing students of all ages to be productive and responsible citizens, with special focus on the integration of education with service and an applied rather than basic research mission. The purpose of this proposal is to offer a teaching certification option in a proposed new undergraduate degree in Political Science at Montana State University-Billings that would prepare students to teach in middle and high schools in compliance with No Child Behind Act.

January 18-19, 2007

ITEM 134-2801-R0107 Approval of Proposal for a Degree Name Change from Certificate to Certificate of Applied Science; Montana State University-Northern

THAT: Montana State University-Northern seeks approval from the Montana Board of Regents to convert the current Certificate Degree Programs to Certificate of Applied Science per Montana Board of Regents Policy 301.12.

EXPLANATION: The Montana Board of Regents Policy 301.12, Undergraduate Degree Requirements adopted in May 2005 creates a Certificate of Applied Science as a new degree in the Montana University System. Before the adoption of the new policy, a Certificate was the only name option for such a credential. The Level II request without documentation is being submitted to change the following Certificates to Certificates of Applied Science:

Automotive Technology
Welding Technology

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.:	134-2801-R0107	Date of Meeting:	January 18-19, 2007
Institution:	Montana State University-Northern		
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 of Regents 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 for such a credential.

A name change for a degree program (i.e. 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 documentation to change the following Certificates to Certificates of Applied Science:

Automotive Technology
Welding Technology

Both 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.

February 28–March 2, 2007

ITEM 134-2851-R0107 **Approval of Proposal to a Name Change for a Degree Program from Certificate to Certificate of Applied Sciences; Montana State University-Great Falls**

THAT: Montana State University-Great Falls College of Technology seeks approval from the Montana Board of Regents to change the name for a degree program from Certificate to Certificate of Applied Science for the following: Accounting Assistant, Dental Assistant, Health Information Coding Specialist, Medical Billing Specialist, and Medical Transcription.

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.

MONTANA BOARD OF REGENTS

LEVEL II REQUEST FORM

Item No.:	134-2851-R0107	Date of Meeting:	January 18-19, 2007
Institution:	Montana State University-Great Falls COT		
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 (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:

Accounting Assistant
Dental Assistant
Health Information Coding Specialist
Medical Billing Specialist *
Medical Transcription *

* The Medical Transcription and Medical Billing Specialist 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.

For the remaining programs (Accounting Assistant, Dental Assistant, and Health Information Coding Specialist) modifications to the curriculum have been adopted by the College for the programs to comply with Montana Board of Regents' Policy 301.12. Program curricula for these are included.

February 28–March 2, 2007

ITEM 134-2852-R0107 **Approval of Proposal to Establish a Certificate of Applied Science in Welding Technology; Montana State University-Great Falls**

THAT: Montana State University-Great Falls College of Technology seeks approval from the Montana Board of Regents to establish a Certificate of Applied Science in Welding Technology.

EXPLANATION: This program will be developed and initially offered through the College's extension in Bozeman in partnership with Montana State University. This request is in direct response to industry requests the College responds to the shortage of trained welders in the Gallatin Valley as well as the State.

Academic/Student Affairs Committee - Information Item b.

TO: Montana Board of Regents
FROM: Roger Barber, Deputy Commissioner for Academic & Student Affairs
RE: An Update on the Mental Health Discussions
DATE: February 28, 2007

In September and November 2005, the Academic & Student Affairs Committee of the Montana Board of Regents held two discussions on mental health issues on the campuses of the Montana University System. The discussions were precipitated by two lawsuits in the eastern United States involving student suicides and the defendant universities' legal responsibilities in those tragic situations.

The Chief Student Affairs Officers on all of the Montana University System campuses assisted with those discussions, and the key points in their conversations were as follows:

- 1) student mental health concerns are one of the most difficult challenges currently facing student affairs programs across the country.
- 2) the number of new students who are being treated for mental health problems when they enter the Montana University System is increasing.
- 3) the number of students who seek mental health services while they are in the MUS is increasing.
- 4) the MUS institutions have had to scramble, in recent years, to provide new and expanding services, which can be expensive and may not be readily available in some of the more rural communities.
- 5) on most of the campuses, the primary service is professional counseling and referral to outside services; some campuses, however, are beginning to provide psychiatric services for students.
- 6) most of the campuses have conducted training programs for campus personnel on mental health issues and suicide prevention, especially those employees who are in daily contact with students in the residence halls.
- 7) the breadth and depth of services vary significantly on the campuses, primarily because of resources. In general, the larger campuses have more programs and services for students in the mental health area.

Cathy Swift, chief legal counsel for the Office of the Commissioner of Higher Education, also gave an overview of the court cases that were making their way through the court system at that time. Her key points were:

- 1) generally, campuses have not been held responsible for failing to prevent student suicides.
- 2) in the most recent cases, the campuses were not **automatically liable** or responsible for the student's death for failure to provide mental health services or for failure to notify parents. The courts have been willing to allow these cases to go to a jury to determine if the institution or individuals should be liable, however. Most of the cases were settled before a final decision was made by the court.

- 3) individuals on the campuses could be liable, if they knew the student was suicidal and failed to act reasonably to assist or intervene with the student, based on what they knew about the student's mental condition. Some legal experts suggest that the standard of care and responsibility for universities could expand in cases of students who are clearly suicidal or in danger of injury because of mental health concerns.



Report on Start-up Phase of AAS Degree in Aviation Technology - January 2007

Overview

In March 2005, the Montana Board of Regents of Higher Education approved MSU-Great Falls' proposal to offer an Associate of Applied Science Degree in Aviation Technology. At the time of approval, the Board requested a report from the College within two years, documenting the history of the program's impacts over this time frame. This report is being submitted in response to that request.

Staffing

The Aviation Technology program has one full-time staff member, the Program Director, whose primary responsibilities are to ensure program operations, student advisement, limited course instruction, collaboration with industry and flight schools, and compliance with Federal Aviation Administration (FAA) requirements. Outside of this individual, the program's coursework is delivered by adjunct (part-time) faculty who possess unique skill-sets within the specific areas of instruction.

Program Composition

The program is unique in its design, as it merges higher education, community-based training, and industry certifications within the curriculum. The College delivers the ground school and related instruction components, while the flight school portion is provided by an FAA-certified flight instruction company (Summit Aviation). FAA ratings in Private Pilot, Instrument, Commercial, and Certified Flight Instructor certifications are integrated into program requirements leading to the AAS degree, bolstering the graduate's portfolio as he or she enters the workforce.

Enrollment

Since its inception, the program has taken in two classes of degree seeking students. The first class of 14 enrolled in Fall of 2005 with another intake of 11 in Spring 2006. Five (5) students did not continue in the program from fall to spring. The second class of 13 enrolled in Fall 2006 and 15 students from the previous year continued in the program. The following enrollment data (reported end of year with 2007 projected) is presented for the two years the program has been active.

Academic Year 2005/2006

Dually Enrolled Students¹ – 7
MSU-Great Falls only – 13
Total Degree Seeking – 20 Students
Non-degree seeking – 4
Total Aviation enrollments – 92
Total Aviation students – 24

Academic Year 2006/2007

Dually Enrolled Students¹ – 9
MSU-Great Falls only – 19
Total Degree Seeking – 28 Students
Non-degree seeking – 21
Total Aviation enrollments - 143
Total Aviation students – 49

¹ Dually enrolled students are those students who are degree seeking at both MSU-Bozeman and MSU-Great Falls' College of Technology in Bozeman Extension.

Graduates

The Aviation Technology program will graduate its first class in Spring 2007. These students will be the first graduates of the program, as well as the first Associate of Applied Science degree graduates of the College of Technology in Bozeman Extension. At the time of this report, it is anticipated the program will graduate between five (5) and seven (7) of the students who first entered the program in Fall 2005.

Employment Outlook

The job market for entry level pilots is currently very strong and looking to get stronger. According to the U.S. Department of Labor and Industry, in Montana, employment for pilots is projected to grow faster than all other occupations through 2012². On the national level, the median income for pilots is \$ 128,140 per year, with starting salaries for airline pilots between \$20,000 and \$30,000 per year. Gallatin Airfield is the fastest-growing field in the state and recorded its 11th consecutive year of increased boardings in 2005 when the program originated. The same year, the Air Traffic Control Tower at Gallatin Field handled 71,556 aircraft operations, up 7.4%, and marks the first time tower operations have surpassed the 70,000 threshold³.

As for specific opportunities for the program's graduates, most pilots entering the aviation workforce will take a job as a certified flight instructor. Our contract flight school, Summit Aviation, has plans to hire most of the graduates from the aviation program as flight instructors teaching in the very same aircraft they themselves trained in. Also, Billings-based Big Sky Airlines has plans to hire 60 new pilots in the next six months, and is anticipating the need for more as the company grows and expands into new markets. The program director is currently working closely with Big Sky's chief pilot in forming a partnership with Big Sky Airlines as an employer for the program's graduates.

Respectfully submitted,

Joe Schaffer

Interim Associate Dean/CAO of Academic Programs
MSU-Great Falls College of Technology

² Accessed online January 16, 2007 at <http://www.bls.gov/oco/ocos107.htm>

³ Accessed online January 16, 2007 at <http://www.gallatinfield.com/administration.asp#calendar>

Academic/Student Affairs Committee - Information Item d.

A Summary of Financial Aid Opportunities For So-Called Post-Baccalaureate Students

According to Bruce Marks, director of the Montana Guaranteed Student Loan Program, students who have already earned one baccalaureate degree have the following financial aid options:

- 1) Loans. At the Federal level, the only financial aid program that is available to these students is loans. Those loan programs have maximum dollar amounts, which mean that post-baccalaureate students may have used up their eligibility working on their first four-year degree. The other Federal aid programs are designated for so-called first baccalaureate students, and eligibility is also based on a maximum number of attempted credits. Because of those limitations, post-baccalaureate students are excluded from most Federal aid programs.
- 2) Work Study. Post-baccalaureate students are technically eligible for the work study program, although according to Bruce, very few of them take advantage of the program.
- 3) State aid. State aid programs could be designed to include post-baccalaureate students, and apparently some states have done that. Montana is not one of them.
- 4) Private dollars. Individual campuses in the Montana University System can always use their private, discretionary dollars to assist these students, primarily in the form of scholarships, graduate assistantships, and so on. Scholarships frequently come with criteria established by the donor. Post-baccalaureate students would, therefore, have to be among the designated recipients. Two well-known programs that include post-baccalaureate students are Rotary Club Scholarships and Gates Foundation scholarships.

**POST-BACCALAUREATE SURVEY
from The University of Montana**

Survey questions and number of responses:

1. Additional skills/background needed for current job: 19
2. Preparing for higher level job in current field: 24
3. Coursework needed to improve earnings in current job: 10
4. Can't find employment related to current degree: 21
5. Preparing to seek employment in another field: 68
6. Taking courses missed while studying for current degree: 11
7. Taking coursework for the sake of knowledge itself: 30
8. Taking courses for fun: 10
9. Partner/spouse is a UM student and living in Missoula: 3

Gender

Male: 38
Female: 83

Age

Under 25: 10
25-35: 59
36-45: 28
46-55: 18
Over 55: 7

Marital Status

Single: 71
Married: 51

Supporting a family

Yes: 23
No: 98

Memo

Date: Jan, 30, 2007

To: Roger Barber

From: Greg Young, Vice Provost for Undergraduate Education, MSU

RE: Post-baccalaureate students

Students who have bachelor's degrees and are not enrolled in graduate degree programs are studying at MSU for a variety of reasons:

- 1) students finishing the second degree of a double degree program (having chosen not to postpone graduation until both degrees were completed)
- 2) students pursuing another undergraduate degree due to a change in career path
- 3) students taking professional development credits (mainly teachers)
- 4) students obtaining teacher certification to complement their existing degree
- 5) those who need additional preparation for professional schools such as medicine
- 6) students who need additional courses to gain acceptance to graduate degree programs
- 7) non-degree graduates taking courses for interest

In Fall Semester 2006, we had 604 post-baccalaureate students, 279 of whom were non-degree graduate students.

MEMORANDUM

DATE: February 28, March 1 – 2, 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 November 2006 meeting of the Board of Regents. It also includes additional announcements concerning academic programs.

Montana State University-Bozeman:

- Montana State University-Bozeman filed a Notice of Intent to terminate its Bachelor of Arts degree in Hotel and Restaurant Administration in September 2006. All of the steps in the termination process have been completed, and the degree is, therefore, eliminated. [ITEM 132-2007+R0906](#)
- Montana State University-Bozeman filed a Notice of Intent to terminate its Minor in Health Science in September 2006. All of the steps in the termination process have been completed, and the degree is, therefore, eliminated. [ITEM 132-2008+R0906](#)
- Montana State University-Bozeman filed a Notice of Intent to terminate its Minor in Dance in September 2006. All of the steps in the termination process have been completed, and the degree is, therefore, eliminated. [ITEM 132-2009+R0906](#)

Montana State University-Great Falls College of Technology:

- Montana State University-Great Falls College of Technology initiated the process to terminate its Certificate in Emergency Medical Technician (EMT)/Paramedic by filing a Notice of Intent. [ITEM 134-2854+R0307](#)

- Montana State University-Great Falls College of Technology requested permission to offer its Associate of Applied Science degree in Interior Design in the Bozeman area as part of its programming efforts in that community. [ITEM 134-2855+R0307](#)
- Montana State University-Great Falls College of Techology began the process for termination of its Certificate in Network Technology by filing a Notice of Intent. [ITEM 134-2856+R0307](#)
- Montana State University-Great Falls College of Technology filed a Notice of Intent to terminate its Associate of Applied Science degree and options in Bioscience Technology in September 2006. All of the steps in the termination process have been completed, and the degree is, therefore, eliminated. [ITEM 132-2852+R0906](#)

The University of Montana-Missoula:

- The University of Montana-Missoula began the process to terminate its Minor in Nature and Democracy by filing a Notice of Intent. [ITEM 134-1001+R0307](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in art and art education in its Fine Arts major, Bachelor of Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1001+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in ceramics, painting & drawing, photography, printmaking, and sculpture in its Fine Arts major, Bachelor of Fine Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1002+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in art and art history in its Fine Arts major, Master of Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1003+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in ceramics, painting & drawing, photography, printmaking, and sculpture in its Fine Arts major, Master of Fine Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1004+R1106](#)

- The University of Montana-Missoula filed a Notice of Intent to terminate the options in studio teaching, and choreography and performance in its Fine Arts major, Bachelor of Fine Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1006+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in drama and drama education in its Fine Arts major, Bachelor of Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1007+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in acting and design/technology in its Fine Arts major, Bachelor of Fine Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1008+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in acting, design/technology, and directing in its Fine Arts major, Master of Fine Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1010+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in media arts and music media production in its Fine Arts major, Master of Fine Arts degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1011+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in piano or organ performance, voice performance, and orchestral performance in its Music major, Bachelor of Music degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1014+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate the options in composition/technology, musical theater, music education, and performance in its Music major, Master of Music degree, in November 2006. All of the steps in the termination process have been completed, and the options are, therefore, eliminated. [ITEM 133-1015+R1106](#)
- The University of Montana-Missoula filed a Notice of Intent to terminate its Master of Science degree in Physical Therapy in November 2006. All of the steps in the termination process have been completed, and the degree is, therefore, eliminated. [ITEM 133-1018+R1106](#)

Montana Tech of The University of Montana:

- Montana Tech of The University of Montana College of Technology initiated the process to terminate its Associate of Applied Science degree in Computer Technology, along with the Application Software Specialist and Geographic Information Systems options included in the degree program, by filing a Notice of Intent. [ITEM 134-1501+R0307](#)
- Montana Tech of The University of Montana College of Technology took the first step to terminate its Associate of Applied Science degree in Geographic Information Systems/Global Positioning Systems by filing a Notice of Intent. [ITEM 134-1502+R0307](#)

The University of Montana-Helena College of Technology:

- The University of Montana-Helena College of Technology requested permission to deliver its Associate of Applied Science degree in Fire & Rescue in the Kalispell area as part of a partnership with Flathead Valley Community College. [ITEM 134-1901+R0307](#)

Flathead Valley Community College:

- Flathead Valley Community College asked for permission to deliver its Associate of Applied Science degree in Paramedicine to Helena in partnership with The University of Montana-Helena College of Technology. [ITEM 134-301+R0307](#)
- Flathead Valley Community College asked for authority to change the name of its Associate of Applied Science degree in Office Technology, with an Option in Executive Secretary/Legal Secretary, to an Associate of Applied Science degree in *Executive/Legal Administrative Assistant*. The option will no longer be necessary. [ITEM 134-302+R0307](#)
- Flathead Valley Community College requested permission to change the name of its Associate of Applied Science degree in Office Technology, with an Option in Medical Secretary, to an Associate of Applied Science degree in *Medical Administrative Assistant*. The option will no longer be necessary. [ITEM 134-303+R0307](#)
- Flathead Valley Community College asked for permission to change the name of its Associate of Applied Science degree in Office Technology, with an Option in Word Processing, to an Associate of Applied Science degree in *Administrative Assistant*. The option will no longer be necessary. [ITEM 134-304+R0307](#)

- Flathead Valley Community College requested authority to change the name of its Certificate of Applied Science in Office Technology to *Administrative Assistant*. [ITEM 134-305+R0307](#)
- Flathead Valley Community College filed a Notice of Intent to terminate its Certificate of Applied Science in Goldsmithing Bench in November 2006. All of the steps in the termination process have been completed, and the certificate is, therefore, eliminated. [ITEM 133-301+R1106](#)
- Flathead Valley Community College filed a Notice of Intent to terminate its two (2) Certificates of Applied Science in Information Technology in November 2006. All of the steps in the termination process have been completed, and the certificates are, therefore, eliminated. [ITEM 133-302+R1106](#)

Announcements:

Montana State University-Northern notified the Office of the Commissioner of Higher Education that it has placed two academic programs on moratorium. Those programs are the Associate of Applied Science and Bachelor of Science degrees in Computer Engineering Technology.

Flathead Valley Community College notified the Office of the Commissioner of Higher Education that it has placed the Associate of Applied Arts degree in Substance Abuse Counseling on moratorium.



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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ADMINISTRATIVE, BUDGET AND AUDIT OVERSIGHT COMMITTEE
Helena College of Technology
Student Center
Wednesday, February 28, 2007
1:15 – 4:30 P.M.

1:15 P.M. Roll Call and Review of Minutes [Link](#)

1:30 P.M.

ACTION

- a. Revision of the Montana University System Honor Scholarship Policy – [ITEM 134-107-R0307](#) [PowerPoint Presentation](#)
- b. Authority to Purchase Property; MSU-Billings – [ITEM 134-2701-0307](#)
- c. Authorization for Campus Parking Projects; MSU-Bozeman – [ITEM 134-2006-0307](#)
- d. Financing Plan for Construction of New Research Facility; MSU-Bozeman – [ITEM 134-2004-0307](#)
- e. Spending Authority for Student Facilities Projects; MSU-Bozeman – [ITEM 134-2007-0307](#)
- f. Naming the Animal Resource Center “William J. Tietz Hall”; MSU-Bozeman - [ITEM 134-2005-0307](#)
- g. MSU – Ag Coalition Report (Potential action to be determined) [Link](#)

INFORMATION

- a. Audit Reports
 1. UM-Missoula Financial Audit – June 30, 2006 (Unqualified Opinion)
 2. MSU-Bozeman Financial Audit – June 30, 2006 (Unqualified Opinion)
 3. MGSLP Financial Audit – June 30, 2006 (Unqualified Opinion)

4. Montana Tech Foundation – June 30, 2006 (Unqualified Opinion)
 - b. MUS Self-Funded Workers Comp Program Update
 - c. FY 2006 Athletic Report ([Link](#)) ([Athletic Income Details](#)) ([Athletic Expense Comparisons](#)) [Student athlete information, including participation and graduation rates.](#)
 - d. Fee Committee Report [Link](#)
 - e. Review Board Direction Regarding Tuition & Fees [Link](#)
 - f. Distance Education Conversion; MSU-Bozeman

CONSENT

- a. Authority to Lease Space for MSU Alumni Association; MSU-Bozeman – [ITEM 134-2008-0307](#)
- b. Authorization to Expend Student Equipment Fees; UM–Helena College of Technology – [ITEM 134-1902-R0307](#)

4:15 P.M. Public Comment

4:30 P.M. Adjourn

Other than the meeting starting time, the 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)

MINUTES

Montana Board of Regents Administrative, Budget, and Audit Oversight Committee Meeting February 15, 2007

Helena, MT

The meeting convened at 6 p.m.

Regents present: Chair Stephen Barrett, Clayton Christian, Lila Taylor, and Commissioner Stearns ex officio.

Others present: John Youngberg, Montana Farm Bureau Federation representing the Montana Agricultural Coalition and others as identified on the sign-in sheet. Nine members of the Montana Legislature attended and testified at the meeting: Representatives Kasten, Musgrove, Stoker, Lake, and Ripley. Senator Jent, Lewis, Steinbeisser, and Jim Peterson.

INFORMATION and DISCUSSION

Chair Barrett opened the meeting for presentations by the Agricultural Coalition.

Mr. Youngberg presented the history of the recharge issue and the history of land grant colleges. Mr. Youngberg was representing the Agricultural Coalition and expressed concerns with how charges for the cost of running MSU-Bozeman, such as institutional administration, gas, heat, etc. are allocated to the College of Agriculture, the Agricultural Experiment Station (AES) and the Extension Service (ES). He explained that AES and ES are not being treated fairly because they don't have the ability to recoup these charges unlike others such as dorms and athletics that have the ability to increase revenue to cover the increased costs. He also questioned whether the "spirit" of the Morrill act was being violated. Mr. Youngberg did not question that the overhead charges are real expenses and thought Agriculture should pay their fair share; however, under the current system, they do not believe the system is fair. He offered the following solutions:

- Allow AES and ES to negotiate overhead charges to mitigate the recharges.
- Give AES credit for the research they perform to offset the recharges.
- Ask the Legislature to add approximately \$2.7 million to the base budget of AES and ES and then in the future make sure present law adjustments are funded.
- Try to increase federal funding through the Montana congressional delegation.

Several other members present testified in support of Agriculture paying their fair share of overhead costs and expressed concerns with the current process. They also noted that with a surplus budget the timing is right to fix the problem.

Several members from MSU-Bozeman also testified that MSU is committed to the Agricultural industry and education. Legal council provided a legal history of the Morrill Acts. MSU staff agreed that open communication and cooperation between the Agencies, the University, the Commissioner's office, the Board of Regents and involving interested parties such as the Agricultural Coalition early in the process will lead to a solution.

Members of the Agricultural Coalition asked to continue to conversations in the future and thanked the Board of Regents for listening to their concerns.

Chair Barrett said the Board will take into account all issues and reminded the group that first the legal questions must be resolved and all actions taken must be fair, rational and appropriate. Then the Board must ensure the accounting for overhead charges is correct. He expressed this is an issue the Board takes very seriously, and will consider carefully the next appropriate action steps.

With no further business, Chair Barrett adjourned the meeting at 8:30 p.m.



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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Minutes
Administrative, Audit and Budget Committee Meeting
Wednesday, November 15, 2006

The meeting was called to order at 11:10 a.m.

Regents Mark Semmens and Clay Christian were present. Regent Stephen Barrett was excused.

ACTION

- a. Authorization for Increased Spending Authority in FY07 General Funds -UM-Missoula ITEM 133-1026-R1106
It was clarified the Governor's Budget Office was aware of this process and the dollar amount of the reversion. This is a re-classification of the expenditures and does not involve any increased expenditures. This request involves courses, not programs.
Commissioner Stearns and Associate Commissioner Robinson agreed this would be an appropriate move.

Regent Christian recommended approval.

- b. Indexing of Fees – UM-Missoula ITEM 133-1020-R1106
Mick Robinson explained the revised item and recommended trying this as a pilot project to be reviewed in 2 years. Any increase above 5% would go through the normal process presently used. This would keep services as they currently are and would not to add any services.
Andrea Allen, President of ASUM, testified in support.
Candy Holt, Director of University Center, was available for informational purposes.

Regent Christian recommended approval.

- c. Authority to Plan and Design New Sky Suites at Football Stadium – MSU-Bozeman ITEM 133-2007-R1106
MSU-Bozeman would use funds that were given for athletics specifically with donors providing the money.

The committee recommended approval.

- d. Authority to Negotiate Acquisition of Story Mansion – MSU-Bozeman ITEM 133-2009-R1106
President Gamble explained the rationale for owning this building and explained they would not enter into an agreement to purchase the building until MSU-Bozeman had the money to maintain and operate the building. There would be no state funds or student obligations used for the purchase or maintenance of this building.

The committee recommended approval.

- e. Lease of Building (EOCM) – MSU-Northern ITEM 133-2803-R1106
Chancellor Capdeville clarified MSU-Northern owns the building, and the lessee pays for the renovation of this building subject to the approval of MSU-Northern.

The committee recommended approval.

- f. Authorization to Negotiate a Constant Maturity Swap Contract for the Series J 2005 Facilities Revenue Bond Issue – MSU-Bozeman ITEM 133-2010-R1106
President Gamble and Craig Roloff, MSU-Bozeman spoke on behalf of the benefits and need for the negotiation and the window involved in the Bond Swap, which would give MSU-Bozeman the flexibility to negotiate an effective date.
Associate Commissioner Mick Robinson recommended moving forward.

The committee recommended approval.

- g. Increase Authority to Construct New Research Facility – MUS-Bozeman ITEM 133-2011-R1106
President Gamble explained the approval in 2005 to construct a new research facility and the need for increased spending authority due to complexity of the facility.

Regent Semmens recommended approval of ITEM 133-2011-R1106.

- h. Rural Physician Incentive Program – OCHE ITEM 133-107 -R1106

The committee recommended approval of ITEM 133-107-R1106.

- i. Distance Education Tuition and Fees ITEM 133-110-R1106
Tom Gibson, Director of Distance Learning, Commissioner's Office, explained the recommendation and the background. This is a cost reduction for the purely resident on-line student.

Issues raised in discussion:

- Resident on-line students
- Non-resident on-line students
- On-line students not paying fees for services since they would still have access to those services, ei. Legal services
- institutionalizing policy – going to charge students the same if they are totally on-site or just partially on-site
- Excess capacity, 200%
- Should we be charging certain fees and grant certain flexibility regarding some other fees
- Do we want to use State-supported dollars to support non-resident students

Opposition:

Chancellor Sexton, MSU-Billings

Provost George White, MSU-Billings

Support:

Bill Muse, The University of Montana-Missoula, stated UM-Missoula is planning on initiating this in January 2007 semester

James Staub, Associate Provost, UM-Missoula

Regent Semmens stated the OCHE recommendation clarified the differences in fees for resident and non-resident students. This would inhibit some non-resident participants by adopting this policy, but this item is focusing more on the in-state residents.

Regent Christian recommended moving this recommendation forward and supported offering courses to non-resident students at cost of delivery. He would like further discussion regarding the fees, however.

Regent Semmens recommended passage of ITEM 133-110-R1106.

INFORMATION

a. Audit Reports

1. MSU-Bozeman Foundation – June 30, 2006
2. MSU-Billings Foundation – June 30, 2006
3. MUS Self-Funded Workers Comp Program – postponed
4. DNRC Morrill Trust – June 30, 2006
5. UM-Missoula Foundation – June 30, 2006

b. Fee Committee Report - postponed

c. MUS Honor Scholarship Update

Bruce Marks, MGSLP, clarified the recommended changes and told the committee this was an informational item – no action would be taken on this at this meeting.

Public Comments:

T.J. Eyer, Principal of Jefferson Community School, on behalf of MT Association of Secondary Principals

Discussion:

- Emphasis of GPA/rigorous core/ACT/SAT

Mick Robinson recommended deferring the remaining items on the agenda to present to the full board. Regent Semmens concurred.

Mick Robinson gave brief update on the audit for the state Trust Lands, with the audit recommending the interest being paid back to the university system in the Morrell Act.

- d. Governor's Postsecondary Scholarship Program Annual Report
- e. Concept Review: Acquire Highlands Golf Course –UM-Missoula
- f. Concept Review: Stadium Expansion – UM-Missoula
- g. OCHE Financial Data Warehouse - Update

CONSENT

- a. Authorization to Expend Up to \$85,000 of Student Computer Fees – UM-Western ITEM 133-1601-R1106

- b. Authorization to Increase Auxiliary Budget Authority – FY2007 – UM-Missoula ITEM 133-1025-R1106
- c. Grant of Easement to City of Dillon – UM-Western ITEM 133-1602-R1106
- d. Authority to Name the Terry & Paul Melvin Graduate Art Studio – MSU-Bozeman ITEM 133-2003-R1106
- d. Renew Authority to Paint Existing Auxiliaries Facilities – MSU-Bozeman ITEM 133-2004-R1106
- e. Renew Authority to Construct a New Chemistry/Biochemistry Research Laboratory Facility - MSU-Bozeman ITEM 133-2005-R1106
- g. Authorization to Accept a Donation of Property to Adjust Boundary of Post Farm - MSU-Bozeman ITEM 133-2006-R1106
- h. Authorization to Grant Underground Electrical Service Easement to NW Energy - MSU-Northern ITEM 133-2802-R1106
- i. Authorization to Upgrade Information Technology Center (ITC) Electrical Systems in Renne Library – MSU-Bozeman ITEM 133-2008-R1106
- j. Approval of University System/Employee Joint Venture – UM-Missoula ITEM 133-1021-R1106

Regent Barrett moved to approve the consent agenda. Committee approved.

Meeting adjourned at 3:30 p.m.

February 28-March 2, 2007

ITEM 134-107-R0307

The Montana University Honor Scholarship

THAT:

The Board of Regents of Higher Education is reducing the number of MUS Honor Scholarships to a minimum of 175, with the option to grant up to 200 contingent upon funding through reallocation of campus resources. The MUS scholarship shall require recipients to compete statewide based upon a scholarship score which is determined by assigning a class rank score to each student and adding that number to the higher of the applicant's ACT or equivalent SAT score. Applicants must also complete the Montana University System rigorous core curriculum in high school, including four years of math and three years of science.

EXPLANATION:

In 2003, what had been called the High School Honor Scholarship was renamed the MUS Honor Scholarship and changed from a one-year tuition waiver to a renewable four-year tuition waiver.

In 2005, the Governor's Best and Brightest Scholarship was introduced. This significant piece of new aid supplemented the MUS Honor Scholarship by granting at least one award to every high school. This action enables the two scholarship programs to work together within the available budget.

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: STUDENT AFFAIRS

Policy 501.1 - Montana University System Honor Scholarships
Effective March 25, 2004; Issued April 8, 2004

Please note that effective (insert new date), this policy applies for students graduating in the 2007-2008 academic year. For students who graduate prior to the 2007-08 academic year, [click here](#) for the applicable policy.

A. Board policy:

1. The Board of Regents of Higher Education will award up to two hundred (200) Montana University System Honor Scholarships annually to Montana high school graduates in accordance with the terms of this policy.

2. Recipients will be selected based upon class ranking as determined by the student's grade point average (GPA) at the student's respective high school and ACT or SAT test score (the higher of the two if both tests are taken). If the SAT test is taken, it will be converted to a corresponding ACT score. A composite scholarship score will be determined by assigning a value to class rank and adding that value to the student's ACT/SAT score, with the highest score being offered the first Montana University Honor Scholarship and continuing until the target number of students has accepted the scholarship.

Class rank value will be determined as follows: A student ranked first in grade point average at his or her high school (and all ties for first) will receive the maximum of 30 points for class ranking. A student ranked second in grade point average at his or her high school (and all ties for second) will receive 29 points for class ranking. Points earned for class rank will continue to be assigned in descending order until either (a) all students with a minimum GPA of 3.4 are ranked or (2) the students ranked 30th are ranked, whichever occurs first. A student must have at least a 3.4 GPA to be ranked. High Schools which use weighted grade point averages to determine class ranking must use weighted averages for every student for which that weighting applies.

3. Prospective recipients must graduate from a Montana high school accredited by the Montana state Board of Public Education and have been enrolled full time and in attendance in a Montana accredited high school for at least three years prior to graduation. In addition, prospective recipients must be US citizens, have a minimum grade point average of 3.40, and meet the Board of Regents' rigorous core policy requirements described in 301.15 Appendix I (high school students graduating from high school before 2010 are required to meet Board of Regent college preparatory requirements as described in 301.7). The high school principal, or designee, must certify to the Commissioner of Higher Education that the prospective recipients have met or will meet these requirements. Students have until the date of high school graduation to meet the Montana University System rigorous core or college preparatory requirements

4. The scholarships may be utilized at any campus of the Montana University System or Dawson, Flathead Valley, or Miles Community Colleges (hereinafter referred to as eligible campuses) as a waiver of tuition at the home campus, provided the provisions of A.5. are met.

5. The honor scholarship is renewable annually provided the student maintains a 3.400 GPA at the home campus at the end of each academic year and demonstrates progress toward a degree by completing at least 30 credit hours after two semesters, 60 credit hours after four semesters, and 90 credit hours after six semesters. If the student is not able to obtain the credits or GPA

required for progress toward a degree due to circumstances beyond his/her control, the student may appeal to the financial aid office at the home campus.

6. The scholarship may be received a maximum of 8 continuous academic (fall/spring) undergraduate semesters and is transferable between eligible campuses. Summer semester does not count as one of the 8 continuous semesters. Summer tuition may be waived for an eligible recipient at the discretion of the campus.

7. To waive tuition and/or receive credit for classes taken on-line at MUS qualifying campuses other than the home campus, recipients must first contact and make the appropriate arrangements with the home campus.

8. Students lose eligibility by non-enrollment, lower than 3.400 GPA at the end of academic year, or violating the student conduct code.

9. For purposes of this policy, the home campus is the campus at which a student originally matriculates until such time as the student formally transfers to another eligible campus.

B. Procedures:

1. Eligible high school students must apply for the scholarship. Before the student can submit an application, the student must apply to and be accepted by one of the eligible campuses. The student must then complete a scholarship application and submit it to the high school principal (or designee), along with a copy of the acceptance letter from the eligible campus. The completed scholarship application must be submitted by February 15th of the award year. Any eligible student who does not submit the required scholarship application and acceptance letter by the application deadline will be deemed to have relinquished the scholarship.

2. Each eligible Montana high school shall provide a class ranking list of eligible students that includes the students' grade point averages to the Office of the Commissioner of Higher Education not later than March 15th of the award year.

3. GPA will be calculated through the 7th high school semester (5th semester, for students graduating early).

4. If there is a tie for the final scholarship, the tie will be broken by awarding the student with the highest ACT score.

5. If the recipient of a Montana University System Honor Scholarship decides not to attend an eligible campus, the student should relinquish the scholarship at once. In such cases where the scholarship is relinquished prior to May 15th of the award year, the Montana University System may award the next eligible student.

7. A recipient must utilize the scholarship within 9 months after high school graduation.

History: Item 5-006-R0774, Policy regarding Fee Waivers, Montana University System, amended June 7, 1976 (rescinded); Item 18-006-R1077, Honor Scholarships, Montana University System, October 28, 1977, December 15, 1989, November 20, 1997, May 21, 1998, and November 18, 1999 ([Item 104-103-R0999](#)) and January 18, 2002 ([ITEM 114-102-R0102](#)) - [Revised Policy](#), ([Item 114-101-R0302](#)), March 20, 2003 ([Item discussion](#), [Item 118-103-R0303](#)), and March 25, 2004 ([ITEM 122-101-R0304](#); [Memo](#))

[Table of Contents](#) or [Section 500 Contents](#)

February 28-March 2, 2007

ITEM 134-2701-R0307

Authority to Purchase Property; Montana State University-Billings

THAT:

The Board of Regents of the Montana University System authorizes Montana State University-Billings to purchase property immediately adjacent to the College of Technology (COT) campus, following appropriate reviews and approvals as set forth in this item.

EXPLANATION:

In May of 1999, the Board established a property acquisition zone for the COT which included the remaining 7.25 acres of Tract 2, Certificate of Survey No. 2547, situated in the SW ¼ of Section 2; T.I.S., R.25E., P.M.M., at the COT (BOR #103-2702-R0599). This property is within the COT's property acquisition zone.

Two appraisals have been made of the land. The appraisal by The Appraisal Group, LTD was \$237,000. The appraisal by Thomas Appraisal Services, Inc. was \$353,000. School District Number 2 will sell the land to MSU-Billings for \$300,000, which is very close to the average of the two appraisals.

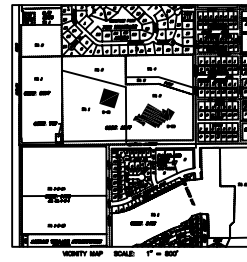
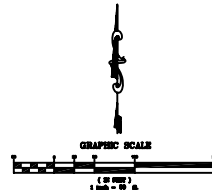
The land will be purchased with an internal loan from an MSU-Billings fund (such as the equipment fee fund) and will be paid back over 5 years. The repayment sources will be general operating funds and excess revenue from the current pledge of COT building fee funds for repayment of an intercap loan. Upon repayment of the intercap loan in August 15, 2008, the building fees formally pledged to the intercap loan will be used for the purchase of this property.

Board of Regents authorization is required because the purchase price exceeds the \$115,000 limit for the previously approved property acquisition zone. [See Item 112-270-R0701]. A final sale and purchase agreement will be executed by MSU-Billings upon review and approval by MUS Legal Counsel, the President of MSU, and the Commissioner of Higher Education.

MONTANA STATE UNIVERSITY BILLINGS, COLLEGE OF TECHNOLOGY

BEING ALL OF TRACT 1 CERTIFICATE OF SURVEY NO. 2547.
SITUATED IN THE SW1/4 SECTION 2, T.1S., R.25E., P.M.M.
CITY OF BILLINGS, YELLOWSTONE COUNTY, MONTANA

ASBUILT PLAN
DATE: APRIL 1996
DRAWING REVISION
DATE: APRIL 2, 1997
DRAWING REVISION
DATE: OCTOBER 2000

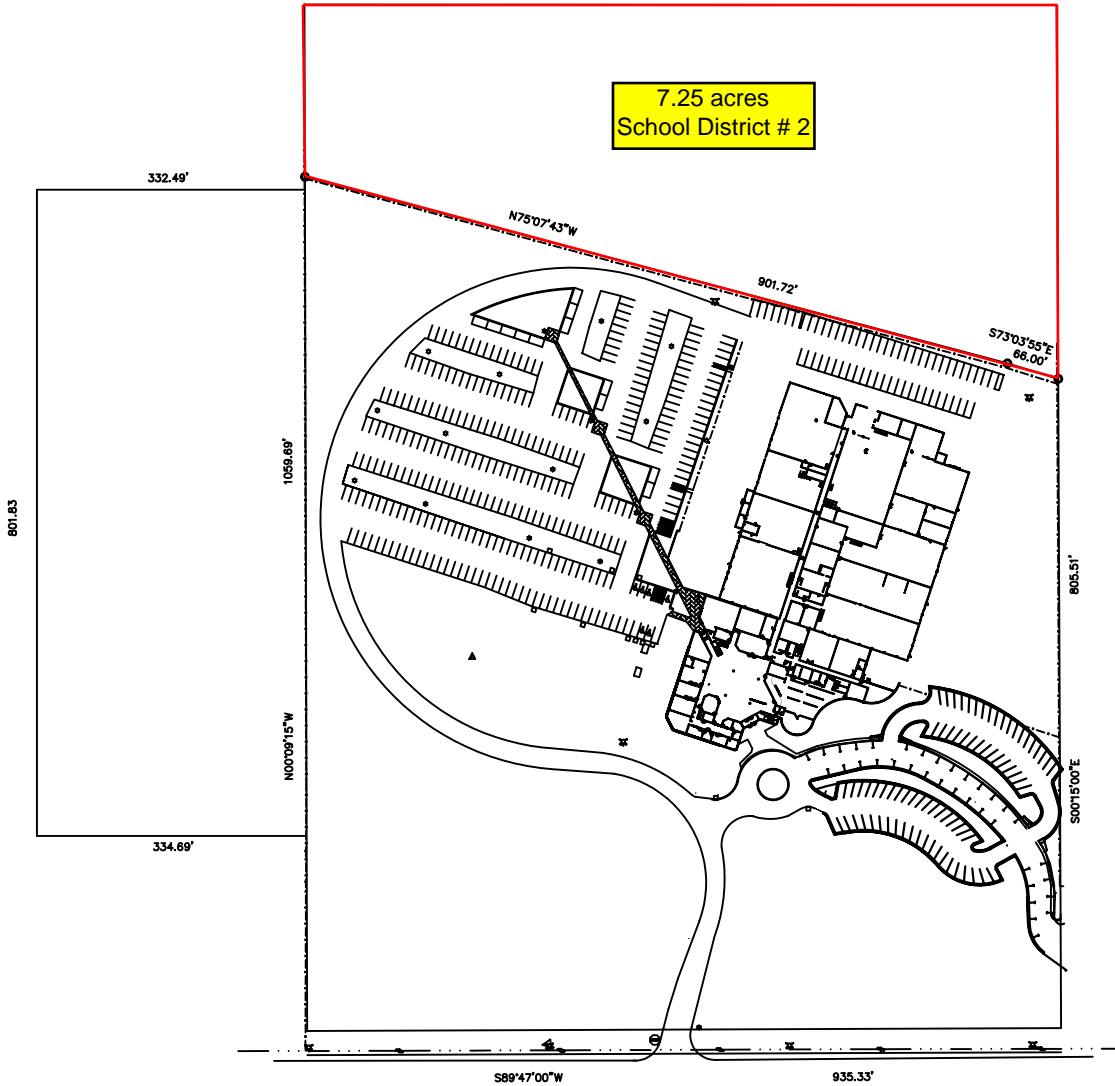


MONUMENTATION

CORNER MARKED WITH SYMBOL:
IS MONUMENTED BY A 60# NAIL.
CORNER MARKED WITH SYMBOL:
IS MONUMENTED BY A 5/8"
STEEL PIN WITH YELLOW
PLASTIC CAP FOUND BY
THIS SURVEY UNLESS NOTED
OTHERWISE.

LEGEND

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7.25 acres
School District # 2

February 28-March 2, 2007

ITEM 134-2006-R0307

Authorization to Construct, Maintain, Repair and Replace New and Existing Parking, Street and Access Facilities; Montana State University-Bozeman

THAT:

Consistent with the provisions of MCA-18-2-102(b), the Board of Regents of Higher Education authorizes MSU-Bozeman to construct, maintain, repair and replace new and existing parking, street and access facilities at MSU-Bozeman. This request is for a total of \$2,000,000.

EXPLANATION:

1. Various projects will be undertaken to construct, maintain, repair, and replace new and existing parking, street, and access facilities at MSU-Bozeman. These projects will improve parking, street and access facilities for students, faculty, staff and visitors.
2. These projects will be financed with a combination of non-state funds from Auxiliary Operations Revenues (Renewal and Replacement Budget) and/or non-state Parking System Revenues, in excess of debt service obligations.

Board of Regents Policy: Physical Plant – Section 1003.7

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 construction, maintenance, repair and replacement of new and existing parking, street and access facilities including paving, curbs and gutters, signage, striping, lighting, landscaping, storm drainage systems, access approaches, associated pedestrian sidewalks, etc.

(b) Cost Estimate and Funding Sources

Design fees are generally 7-12% of construction costs for individual projects.

Funding sources will be a mix of non-state funds from Auxiliary Operations Revenues (Renewal and Replacement Budget) and/or non-state Parking System Revenues, in excess of debt service obligations.

(c) Programs Served, Enrollment Data, Projected Enrollments

The work to be completed under this authority addresses construction and maintenance of new and existing surface parking, street and access facilities serving students, faculty, staff and visitors. This work will not directly impact university programs or enrollments.

(d) Space Utilization Data

MSU's parking system consists of approximately 5,400 total parking spaces for use by students, faculty, staff and visitors. Existing parking facilities are approximately 90% filled during heaviest use periods. MSU sells approximately 7,000-8,000 parking decals each year, which includes users with multiple vehicles, car pools, replacement decals, etc. Access facilities include access drives serving parking lots, service areas, etc.

(e) Projected use for available residual space

(Not Applicable to this request)

(f) Projected O&M Costs and proposed funding sources

O&M Costs for surface parking facilities serving the academic campus areas are borne by the Parking Operations Account, while O&M costs associated with some of the residence facilities parking areas are borne by Auxiliaries Operations Revenues. New and replacement facilities are designed to achieve a 40 year useful life, with proper periodic maintenance, which includes annual re-striping, five-year re-coating, and 20-year re-surfacing (two full cycles).

February 28-March 2, 2007

ITEM 134-2004-R0307 Financing Plan for Construction of New Research Facility; Montana State University-Bozeman

THAT: The Board of Regents of Higher Education approves the Financing Plan for construction of a new Research Facility at Montana State University.

EXPLANATION: Authority for the construction of a research facility has been previously approved by the Board. A portion of the project is to be funded with Intercap Loan proceeds, which have also previously been approved. This item seeks approval for the complete financing plan, which identifies all funding sources devoted to the project and to debt service.

1. Regents' Item 128-2004-R0905 authorized MSU to construct a new Research Facility for \$2.5 million, and MSU committed to secure Board approval of its final financing plan at a subsequent meeting.
2. Regents' Item 130-2011-R0306 authorized MSU to secure an Intercap Loan in the amount of \$2,297,400 to finance a portion of the project, which when combined with an existing loan of \$202,600, provides a total of \$2,500,000 in loan proceeds to be used for the project.

The following funds were committed to debt service for the Intercap Loans:

- a. Facilities & Administrative (F&A) cost recoveries from the Veterinary Molecular Biology Dept's National Institutes of Health (NIH) RCE grant #1U54AI065357-01 are reserved to pay *up to a total of \$800,000 (P&I)* of debt service.
 - b. Yearly spendable income from the Johnson Ranch Endowment (estimated at \$189,000 per year) will repay \$1,890,000 of debt service.
 - c. F&A cost recoveries from Veterinary Molecular Biology Dept grants will repay, *IF NEEDED*, up to \$60,000 per year of debt service.
3. Regents' Item 133-2011-R1106 increased the project authority from \$2.5 million to \$3.5 million due to construction cost escalation and additional design information.

4. The balance of project funding (up to \$1,000,000) will be derived from non-state sources as follows:
 - a. \$330,000 cash balance in the Johnson Ranch Foundation account
 - b. \$210,000 Johnson Ranch earnings available in June 2007
 - c. \$150,000 in F&A cost recoveries from the National Institute of Health COBRE Grant # P20 RR020185
 - d. Up to \$400,000 loan proceeds from the MSU Foundation (if needed), which has been approved by the MSU Foundation Executive Committee. Such loan will only be necessary if the project exceeds its current cost estimate. The loan will be repaid with proceeds from the sale of the Johnson Ranch, or if no such sale is made, with the Ranch's continuing annual spendable earnings distributions. The market value of the ranch exceeds all debt service commitments relative to earnings and sale proceeds as described in this item.

5. As noted in the previous Regents' Items, non-state funds will be used for operations and maintenance of this facility.

February 28-March 2, 2007

ITEM 134-2007-R0307 Renew and Increase Authority to Construct Student Facilities Enhancement Projects; Montana State University-Bozeman

THAT: Consistent with Regent’s Policy (1003.7), the Board of Regents of Higher Education renews authority for MSU to construct the Student Facilities Enhancement Projects at the Bozeman campus and increase the authority to \$31.75 million.

- EXPLANATION:**
1. Regent’s Item 123-2002-R0504, was approved at \$28,000,000, and due to Regent’s Policy (1003.7), is scheduled to expire in May 2007.
 2. This authority includes the following three projects: a Black Box theatre addition to the Visual Communications Building; renovation and addition to the existing H&PE Complex; and renovation and addition to the Strand Union Building (SUB).
 3. The Black Box Theatre began construction in March 2006 and is scheduled to be completed in July 2007. The H&PE Renovation began construction in March 2006 and is scheduled to be completed in November 2007. The SUB Renovation is in design and is expected to bid in February/March 2007, with an expected completion date of December 2008.
 4. The increase in authority is to cover increases in the construction costs incurred industry-wide over the past three years.
 5. These projects are financed through the sale of bonds (Item 126-2005-R0105) that will be repaid with a combination of non-state funds from Auxiliary Operations Revenues (Renewal & Replacement Budget) in excess of debt service obligations, and student fees previously approved for this purpose.
 6. The Project Budgets and Funding Sources are as follows:

	SUB	Black Box	H&PE	TOTAL
Budget	11,990,464	4,154,012	15,000,000	31,144,476
Funding				
Bond Proceeds	7,479,353	3,250,000	13,881,333	24,610,686
Interest Earnings	1,437,344	0	878,667	2,316,011
Auxiliaries Funds	1,084,000	0	0	1,084,000
Facilities, etc	0	60,000	240,000	300,000
Indenture Reserves	1,989,767	844,012	0	2,833,779
	11,990,464	4,154,012	15,000,000	31,144,476

February 28–March 2, 2007

ITEM 134-2005-R0307

**Authorization to Name the Animal Resource Center
“William J. Tietz Hall”; Montana State University-
Bozeman**

THAT:

Consistent with Board of Regents Policy 1004.1, Naming of buildings, the Board of Regents of the Montana University System authorizes MSU to name the Animal Resource Center “William J. Tietz Hall.”

EXPLANATION:

Dr. William J. Tietz served as president of Montana State University from 1977-90. Montana State University was transformed from a rural college to a modern university under the leadership of President Tietz.

Major accomplishments included nationally recognized performance by MSU students and faculty; significant advancements in undergraduate programs; research preeminence in the state and region; initiation of programs for Native American Studies; and advancements in hi-tech research and technology transfer.

President Tietz’s support was also central to growth of several entities closely associated with MSU including the MSU Alumni Association, the MSU Foundation, KUSM-Montana Public Television, the Museum of the Rockies, Shakespeare in the Parks and the Athletic Booster Association.

President Tietz also presided over the conception and construction of the Visual Communications Building, the Plant Growth Center and the Animal Resource Center. Naming the Animal Resource Center in honor of President Tietz is an appropriate way to recognize his significant contributions to Montana State University.

A proposal to name the building was sent to the Building Names Committee, reviewed by that committee, the University Facilities Planning Board, and the President. The policy that underlies this process can be found at http://www2.montana.edu/policy/naming_of_buildings_policy.htm with a more detailed description of the process at <http://www.facilities.montana.edu/Planning/Naming Process - Jun04.doc>.

**Administrative, Budget, and Audit Oversight Committee
Information Item d.**

**MONTANA UNIVERSITY SYSTEM
COMMITTEE ON FEES
REPORT TO THE BOARD OF REGENTS
November 15, 2006**

The initial purpose of the Committee on Fees was to address the requirement of a biennial internal audit of course fees, program fees, and mandatory student fees and the difficulty campuses were having properly completing such audits. The audit requirement was included in the March 2000 Report from the Regents Task Force on Student Fees.

Audit difficulties included inadequate direction/definitions regarding the various categories of fees and less than clear guidelines/criteria for expenditure by category. In addition, the Regents Task Force recommendations had not been codified in Board of Regents policy.

As a starting point, the Committee of Fees began its work with a review of the report and recommendations of the Regents Task Force on Student Fees which were approved by the Board of Regents in March of 2000.

We offer the following recommendations for your consideration.

RECOMMENDATION #1

Our review of the definitions included in the Task Force Report and MUS inconsistencies regarding terms used to indicate tuition and fees, resulted in the following definitional recommendations.

TUITION:

Tuition revenue is deposited into the current unrestricted operating fund and used to support the educational and general costs of each campus.

General Tuition—Tuition rate assessed to all students on a per credit basis.

Program Tuition—Additional tuition assessed to students in a high cost academic program.

FEES:

Fee revenue is generally deposited into designated, plant, or auxiliary funds, depending upon the specific purpose of the fee.

Mandatory Fees -- Mandatory fees are assessed to all students registering at the campuses, regardless of the academic program chosen by the student.

**Administrative, Budget, and Audit Oversight Committee
Information Item d.**

Two-Year Program Fees -- Two-year programs may assess the equivalent of course fees as “Program Fees” that are assessed on all students enrolled in a given program.

Specific Course Fees -- Course fees are assessed to cover the unique or extraordinary costs associated with the delivery of a course. Appropriate uses of course fees are limited to the following:

- ❖ Specialized activities or equipment fees, where payment is made to individuals or entities generally conducting these types of activities (such as downhill skiing, bowling, etc.);
- ❖ Field trips;
- ❖ Study abroad programs;
- ❖ Pass-through fees (such as Red Cross Certifications, Nursing Liability Insurance);
- ❖ Laboratory consumables, excluding computer supplies and paper products;
- ❖ Materials used by students to create a product that becomes the students’ property after use in a specific course.

OTHER FEES -- All fees not included in the previous categories and includes such fees as fines, rental fees, etc.

RECOMMENDATION #2

- ❖ Each campus will establish a review structure, including representatives from student government and instructional programs, to review new or changed course fees. This review will be forwarded to the CEO of each campus. (Also note Board of Regents Policy 506.1 – Student Participation in Fee Decisions.)
- ❖ The CEO of each campus shall establish an appropriate level of fund balance, for fee activity, to be carried forward to a subsequent fiscal year. Excessive accumulation of fee revenue is to be avoided.
- ❖ Each campus must account for tuition and fees in a manner such that the appropriate collection and use of fees may be verified upon audit. Course fees and Other fees may be audited on a departmental basis.

RECOMMENDATION #3

Campuses must make a good faith effort to communicate their fees to students. Examples include:

**Administrative, Budget, and Audit Oversight Committee
Information Item d.**

- a) Identifying course fees on the Course Schedules;
- b) Identifying an average amount students should expect to pay for course fees, by program, in the Campus Catalogs;
- c) Appropriate disclosure of Program Tuition, Mandatory Fees, and Two-year Program Fees in published materials and on the campus website.

RECOMMENDATION #4

Implement the following recommendation adopted by the Board of Regents in March of 2000.

Expand the Computer Fee and Equipment Fee Policies to allow expenditures for operations and maintenance.

After receiving guidance from the Board of Regents, appropriate policies, adopting the above recommendations, will be drafted and brought to a future Board meeting for consideration.



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

MEMORANDUM

TO: The Board of Regents

FROM: Freida Houser
Director of Budget and Accounting

DATE: February 14, 2006

RE: Montana University System – Athletic Reports

Enclosed are the FY06 Montana University System (MUS) reports related to intercollegiate athletics (ICA). The following system-wide summaries are included:

- Intercollegiate athletics revenue and expenditures by sport,
- Intercollegiate athletics revenue and expenditures by campus,
- Athletics financial aid expenditures, by campus,
- Student athlete information, including participation and graduation rates, and
- Big Sky Conference expense comparison.

FISCAL YEAR 2006 SUMMARY

The collective financial resources from all sources committed for athletics in the MUS is significant: \$34.5 million in revenue and \$33 million in expenditures for a one-year non-cumulative operating surplus for fiscal year 2006 of approximately \$1.5 million.

System-wide financial operating results reported were positive with one campus, MSU-Northern reporting a small operating loss. While the remaining five campuses reported operating surpluses from all sources.

Of the \$34.5 million in total revenue, \$13.6 million, or 39 percent, came from direct institutional support, including state appropriated funds for fee waivers and current operations of the athletics department, transfers or allocations made in support of athletics. The second largest revenue source was from ticket sales, which accounted for \$5.3 million in revenue, or 15 percent of total revenue. Other significant revenue sources include student fees and contributions which collectively added \$4.4 million, or almost 13 percent to total revenue.

On the expenditure side, Coaching and support staff salaries and benefits was the largest expense with \$9.0 million of the \$33 million in expenditures, approximately 27 percent of total expenditures. Athletics Student Aid was a close second with \$8.5 million, about 26 percent of total expenditures. Other significant expenditures included team travel and direct facilities, maintenance, and rental, which collectively required about \$6.0 million, or 18 percent of total expenditures.

Football brought in the most revenue (\$10.5 million) and required the most resources (\$9.4 million) in fiscal year 2006. However, that sport made money on the system level. Men's and Women's Basketball were other significant sports, together costing about \$6.6 million and yielding an operating deficit in fiscal year 2006 of almost \$915,000. All Other Sports, as a group, also realized an operating deficit on the system level in fiscal year 2006.

External Revenue and Expenditures – The \$1.1 million of Total Revenues over Total Expenses at the University of Montana is largely driven by external funds that are not controlled by the University. These external funds include contributions made to the University of Montana Foundation and Scholarship Association that are restricted for specific athletic program purposes, such as scholarships.

External Revenues and Expenditures is an area in the financial summary that may be impacted by differing business practices among the campuses and/or differing interpretation of where to report external support. We will continue to work with the campuses so future reports to the Regents are more consistently reported.

STUDENT ATHLETES

Nearly 1,500 athletes participated in 14 different intercollegiate sports in 2005-06.¹ Approximately 66 percent of the athletes are male and 54 percent of the athletes are Montana residents.

All but two campuses reported graduation rates of student athletes (overall) exceed graduation rates of the general student population (overall).

BIG SKY CONFERENCE COMPARISON

The Equity of Athletics Disclosure Act (EADA) requires the Secretary of Education to collect information to provide Congress a report on financial and statistical information on men's and women's collegiate sports. The expenditures in the Big Sky Conference Comparison report are from the EADA report for FY06. The report lists amounts spent by sport for teams in the Big Sky Conference.

¹ Duplicated count. Some athletes participate in more than one sport. Not all campuses provided an unduplicated count of athletes.

Ln	Item	MSU BOZEMAN	MSU BILLINGS	MSU NORTHERN	UM MISSOULA	MT TECH OF UM	UM WESTERN	TOTAL FY2006
REVENUE								
1	Ticket Sales	\$1,444,741	\$60,660	\$25,516	\$3,751,847	\$21,125	\$13,731	\$5,317,620
2	Student Fees	\$1,260,251	\$335,584	\$69,461	\$763,935	\$112,474	\$54,825	\$2,596,530
3	Guarantees	\$277,930	\$7,400	\$15,125	\$482,000	\$16,775	\$38,300	\$837,530
4	Contributions (Sch. 1)	\$1,213,643	\$242,728	\$207,739	\$9,250	\$75,632	\$83,406	\$1,832,399
5	Third-Party Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Direct State or Other Government Support	\$ -	\$ -	\$871,735	\$ -	\$ -	\$ -	\$871,735
7	Direct Institutional Support (Sch. 2)	\$5,061,669	\$1,894,498	\$795,681	\$3,998,193	\$1,057,234	\$814,294	\$13,621,569
8	Indirect Facilities and Administrative Support	\$147,221	\$ -	\$ -	\$970,414	\$ -	\$ -	\$1,117,635
9	NCAA/Conference Distributions Including All Tournament Revenues	\$523,201	\$22,527	\$ -	\$665,357	\$52,550	\$ -	\$1,263,635
10	Broadcast Television, Radio and Internet Rights	\$21,555	\$ -	\$ -	\$8,869	\$ -	\$ -	\$30,424
11	Program Sales, Concessions, Novelty Sales and Parking	\$60,861	\$22,429	\$ -	\$224,620	\$ -	\$13,224	\$321,134
12	Royalties, Advertisements and Sponsorships	\$1,068,324	\$93,192	\$ -	\$683,559	\$ -	\$ -	\$1,845,075
13	Sports-Camp Revenues	\$338,294	\$55,835	\$44,530	\$3,910	\$79,977	\$62,762	\$585,307
14	Endowment and Investment Income	\$ -	\$ -	\$ -	\$5,637	\$ -	\$ -	\$5,637
15	Other	\$391,214	\$78	\$ -	\$137,320	\$5,167	\$211	\$533,990
16	Total Institutional Revenue	\$11,808,904	\$2,734,931	\$2,029,787	\$11,704,912	\$1,420,934	\$1,080,754	\$30,780,221
16a	Total External Revenue (Sch 3)	\$ -	\$11,730	\$ -	\$3,620,659	\$69,940	\$86,974	\$3,789,303
16b	TOTAL REVENUE	\$11,808,904	\$2,746,661	\$2,029,787	\$15,325,570	\$1,490,874	\$1,167,728	\$34,569,524
EXPENSES								
17	Athletics Student Aid	\$3,138,678	\$857,604	\$921,705	\$2,651,162	\$540,792	\$390,922	\$8,500,864
18	Guarantees	\$200,166	\$39,600	\$5,050	\$196,944	\$16,775	\$1,000	\$459,535
19	Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	\$2,052,673	\$612,701	\$279,231	\$1,774,869	\$298,389	\$265,002	\$5,282,865
20	Coaching Other Compensation and Benefits Paid by a Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	\$1,400,629	\$351,918	\$168,304	\$1,762,728	\$57,547	\$52,270	\$3,793,397
22	Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Severance Payments	\$96,660	\$ -	\$ -	\$36,059	\$ -	\$ -	\$132,719
24	Recruiting	\$302,712	\$14,892	\$24,031	\$212,380	\$6,624	\$3,339	\$563,977
25	Team Travel	\$808,493	\$458,705	\$246,501	\$1,021,900	\$168,144	\$156,062	\$2,859,805
26	Equipment, Uniforms and Supplies	\$211,323	\$56,607	\$106,414	\$212,446	\$48,815	\$83,122	\$718,728
27	Game Expenses	\$215,396	\$63,683	\$23,854	\$960,408	\$35,112	\$33,379	\$1,331,832
28	Fund Raising, Marketing and Promotion	\$432,787	\$151,592	\$17,802	\$192,209	\$ -	\$500	\$794,890
29	Sports Camp Expenses	\$136,003	\$ -	\$46,484	\$796	\$74,028	\$32,013	\$289,324
30	Direct Facilities, Maintenance, and Rental	\$954,440	\$14,405	\$10,396	\$2,160,888	\$4,924	\$97	\$3,145,149
31	Spirit Groups	\$56,538	\$9,928	\$ -	\$66,054	\$ -	\$ -	\$132,521
32	Indirect Facilities and Administrative Support	\$147,221	\$ -	\$ -	\$970,414	\$979	\$4,656	\$1,123,271

33	Medical Expenses and Medical Insurance	\$144,498	\$39,402	\$131,550	\$216,823	\$49,456	\$22,673	\$604,402
34	Memberships and Dues	\$62,824	\$6,900	\$6,005	\$51,890	\$310	\$10,415	\$138,344
35	Other Operating Expenses	\$1,138,754	\$56,203	\$42,898	\$252,282	\$30,945	\$17,204	\$1,538,286
36	Total Institutional Operating Expenses	\$11,499,795	\$2,734,140	\$2,030,225	\$12,740,253	\$1,332,840	\$1,072,656	\$31,409,909
36a	Total External Operating Expenses (Sch 3)	\$ -	\$11,730	\$ -	\$1,431,502	\$145,388	\$86,974	\$1,675,594
36b	TOTAL EXPENSES	\$11,499,795	\$2,745,870	\$2,030,225	\$14,171,755	\$1,478,228	\$1,159,630	\$33,085,503
	EXCESS (DEFICIENCY) OF INSTITUTIONAL REVENUES OVER INSTITUTIONAL EXPENSES	\$309,109	\$791	\$(439)	\$(1,035,341)	\$88,094	\$8,097	\$(629,689)
	EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER TOTAL EXPENSES	\$309,109	\$791	\$(439)	\$1,153,815	\$12,646	\$8,097	\$1,484,020

**MONTANA UNIVERSITY SYSTEM
INTERCOLLEGIATE ATHLETICS, SUMMARY BY SPORT
FOR THE YEAR ENDING JUNE 30, 2006**

Ln	Item	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON-PROGRAM SPECIFIC	TOTAL FY2006	BUDGETED FY2007
REVENUE								
1	Ticket Sales	\$ 4,072,256	\$ 709,995	\$ 362,359	\$ 46,462	\$ 126,548	\$ 5,317,620	\$ 5,346,202
2	Student Fees	\$ 584,803	\$ 210,057	\$ 168,568	\$ 739,400	\$ 893,703	\$ 2,596,530	\$ 2,715,436
3	Guarantees	\$ 749,000	\$ 62,455	\$ 22,675	\$ 3,400	\$ -	\$ 837,530	\$ 1,171,810
4	Contributions (Sch. 1)	\$ 577,833	\$ 150,269	\$ 122,873	\$ 468,354	\$ 513,069	\$ 1,832,399	\$ 1,527,809
5	Third-Party Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Direct State or Other Government Support	\$ 156,995	\$ 115,394	\$ 107,752	\$ 199,983	\$ 291,610	\$ 871,735	\$ 789,476
7	Direct Institutional Support (Sch. 2)	\$ 2,927,498	\$ 1,340,864	\$ 1,153,125	\$ 3,922,461	\$ 4,277,622	\$ 13,621,569	\$ 13,578,763
8	Indirect Facilities and Administrative Support NCAA/Conference Distributions Including All	\$ -	\$ -	\$ -	\$ -	\$ 1,117,635	\$ 1,117,635	\$ 1,092,000
9	Tournament Revenues Broadcast Television, Radio and Internet	\$ 308,075	\$ 242,874	\$ 42,812	\$ 208,301	\$ 461,573	\$ 1,263,635	\$ 903,483
10	Rights Program Sales, Concessions, Novelty Sales and Parking	\$ -	\$ -	\$ -	\$ -	\$ 30,424	\$ 30,424	\$ 19,000
11	Royalties, Advertisements and Sponsorships	\$ 169,971	\$ 35,480	\$ 19,486	\$ 11,767	\$ 84,430	\$ 321,134	\$ 271,764
12	Sponsorships	\$ 207,728	\$ 129,383	\$ 89,065	\$ 54,840	\$ 1,364,059	\$ 1,845,075	\$ 1,682,989
13	Sports-Camp Revenues	\$ 183,733	\$ 80,033	\$ 61,271	\$ 185,933	\$ 74,337	\$ 585,307	\$ 384,800
14	Endowment and Investment Income	\$ 229	\$ -	\$ 681	\$ -	\$ 4,727	\$ 5,637	\$ 4,782
15	Other	\$ 86,033	\$ 16,141	\$ 11,151	\$ 22,270	\$ 398,394	\$ 533,990	\$ 720,585
16	Total Institutional Revenue	\$ 10,024,154	\$ 3,092,946	\$ 2,161,818	\$ 5,863,171	\$ 9,638,132	\$ 30,780,221	\$ 30,208,899
16a	Total External Revenue (Sch 3)	\$ 554,561	\$ 324,599	\$ 172,363	\$ 248,331	\$ 2,489,450	\$ 3,789,303	\$ 3,793,530
16b	TOTAL REVENUE	\$ 10,578,714	\$ 3,417,545	\$ 2,334,181	\$ 6,111,502	\$ 12,127,581	\$ 34,569,524	\$ 34,002,429
EXPENSES								
17	Athletics Student Aid	\$ 2,975,127	\$ 947,716	\$ 740,802	\$ 3,526,067	\$ 311,152	\$ 8,500,864	\$ 9,628,957
18	Guarantees	\$ 202,000	\$ 158,722	\$ 59,992	\$ 9,022	\$ 29,800	\$ 459,535	\$ 495,310
19	Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	\$ 1,697,534	\$ 959,673	\$ 782,308	\$ 1,727,402	\$ 115,948	\$ 5,282,865	\$ 5,006,030
20	Coaching Other Compensation and Benefits Paid by a Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	\$ 156,013	\$ 61,165	\$ 47,611	\$ 23,038	\$ 3,505,570	\$ 3,793,397	\$ 3,582,482
22	Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
23	Severance Payments	\$ 16,474	\$ 75,086	\$ 1,595	\$ 14,956	\$ 24,609	\$ 132,719	\$ -
24	Recruiting	\$ 209,710	\$ 162,545	\$ 73,222	\$ 105,462	\$ 13,039	\$ 563,977	\$ 541,912
25	Team Travel	\$ 697,285	\$ 479,172	\$ 344,678	\$ 1,315,793	\$ 22,877	\$ 2,859,805	\$ 3,003,375
26	Equipment, Uniforms and Supplies	\$ 295,873	\$ 59,083	\$ 64,029	\$ 233,375	\$ 66,367	\$ 718,728	\$ 697,906
27	Game Expenses	\$ 509,658	\$ 308,406	\$ 283,932	\$ 135,474	\$ 94,362	\$ 1,331,832	\$ 1,308,712
28	Fund Raising, Marketing and Promotion	\$ 57,660	\$ 31,358	\$ 33,900	\$ 29,089	\$ 642,884	\$ 794,890	\$ 572,783
29	Sports Camp Expenses	\$ 84,661	\$ 45,951	\$ 24,798	\$ 96,854	\$ 37,060	\$ 289,324	\$ 297,600
30	Direct Facilities, Maintenance, and Rental	\$ 1,481,389	\$ 184,602	\$ 183,097	\$ 60,688	\$ 1,235,373	\$ 3,145,149	\$ 2,611,335
31	Spirit Groups	\$ 40,100	\$ 4,000	\$ 4,000	\$ -	\$ 84,421	\$ 132,521	\$ 101,180
32	Indirect Facilities and Administrative Support	\$ 4,656	\$ -	\$ -	\$ -	\$ 1,118,614	\$ 1,123,271	\$ 1,123,821
33	Medical Expenses and Medical Insurance	\$ 53,786	\$ 12,270	\$ 8,936	\$ 28,405	\$ 501,004	\$ 604,402	\$ 576,380
34	Memberships and Dues	\$ 5,864	\$ 4,621	\$ 1,888	\$ 16,019	\$ 109,952	\$ 138,344	\$ 94,352
35	Other Operating Expenses	\$ 387,014	\$ 109,464	\$ 62,103	\$ 171,515	\$ 808,190	\$ 1,538,286	\$ 1,233,066
36	Total Institutional Operating Expenses	\$ 8,874,804	\$ 3,603,835	\$ 2,716,889	\$ 7,493,159	\$ 8,721,222	\$ 31,409,909	\$ 30,878,202
36a	Total External Operating Expenses (Sch 3)	\$ 537,954	\$ 219,596	\$ 126,192	\$ 207,827	\$ 584,025	\$ 1,675,594	\$ 1,683,676
36b	TOTAL EXPENSES	\$ 9,412,759	\$ 3,823,430	\$ 2,843,081	\$ 7,700,986	\$ 9,305,247	\$ 33,085,503	\$ 32,561,878
EXCESS (DEFICIENCY) OF INSTITUTIONAL REVENUES OVER INSTITUTIONAL EXPENSES		\$ 1,149,349	\$ (510,889)	\$ (555,071)	\$ (1,629,988)	\$ 916,910	\$ (629,689)	\$ (669,303)
EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER TOTAL EXPENSES		\$ 1,165,956	\$ (405,885)	\$ (508,900)	\$ (1,589,484)	\$ 2,822,334	\$ 1,484,020	\$ 1,440,551

**MONTANA UNIVERSITY SYSTEM
INTERCOLLEGIATE ATHLETICS, SUMMARY BY SPORT
FOR THE YEAR ENDING JUNE 30, 2006**

Ln	Item	TOTAL OTHER SPORTS	MEN'S GOLF	MEN'S TENNIS	MEN'S TRACK	WOMEN'S GOLF	WOMEN'S TENNIS	WOMEN'S SOCCER	WOMEN'S TRACK
REVENUE									
1	Ticket Sales	\$ 46,462	\$ -	\$ -	\$ 1,299	\$ -	\$ -	\$ 4,162	\$ 1,299
2	Student Fees	\$ 739,400	\$ 17,115	\$ 38,271	\$ 97,088	\$ 55,224	\$ 51,382	\$ 8,541	\$ 140,537
3	Guarantees	\$ 3,400	\$ 500	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -
4	Contributions (Sch. 1)	\$ 468,354	\$ 676	\$ 25,487	\$ 55,480	\$ 41,204	\$ 30,942	\$ 21,721	\$ 79,064
5	Third-Party Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Direct State or Other Government Support	\$ 199,983	\$ -	\$ -	\$ -	\$ 12,715	\$ -	\$ -	\$ -
7	Direct Institutional Support (Sch. 2)	\$ 3,922,461	\$ 74,468	\$ 264,546	\$ 306,583	\$ 213,569	\$ 272,785	\$ 405,382	\$ 369,006
8	Indirect Facilities and Administrative Support NCAA/Conference Distributions Including All	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Tournament Revenues Broadcast Television, Radio and Internet	\$ 208,301	\$ -	\$ 10,383	\$ 30,280	\$ 17,506	\$ 24,927	\$ -	\$ 60,027
10	Rights Program Sales, Concessions, Novelty Sales and Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Royalties, Advertisements and Sponsorships	\$ 11,767	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ 58	\$ -
12	Sponsorships	\$ 54,840	\$ -	\$ 122	\$ 2,719	\$ 3,945	\$ 1,000	\$ 1,200	\$ 3,126
13	Sports-Camp Revenues	\$ 185,933	\$ -	\$ 29,044	\$ 14,789	\$ -	\$ 29,044	\$ 17,879	\$ 14,790
14	Endowment and Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Other	\$ 22,270	\$ -	\$ 185	\$ 1,685	\$ 11,901	\$ 208	\$ 210	\$ 1,356
16	Total Institutional Revenue	\$ 5,863,171	\$ 92,759	\$ 368,036	\$ 509,928	\$ 356,564	\$ 410,287	\$ 459,153	\$ 669,205
16a	Total External Revenue (Sch 3)	\$ 248,331	\$ 2,413	\$ 7,207	\$ 23,061	\$ 15,862	\$ 6,384	\$ 93,905	\$ 20,131
16b	TOTAL REVENUE	\$ 6,111,502	\$ 95,172	\$ 375,244	\$ 532,989	\$ 372,426	\$ 416,672	\$ 553,058	\$ 689,335
EXPENSES									
17	Athletics Student Aid	\$ 3,526,067	\$ 47,639	\$ 234,221	\$ 374,544	\$ 249,046	\$ 330,886	\$ 318,492	\$ 479,222
18	Guarantees	\$ 9,022	\$ 500	\$ -	\$ 500	\$ 500	\$ -	\$ -	\$ 500
19	Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	\$ 1,727,402	\$ 7,611	\$ 120,451	\$ 161,716	\$ 88,876	\$ 81,555	\$ 202,113	\$ 172,353
20	Coaching Other Compensation and Benefits Paid by a Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	\$ 23,038	\$ -	\$ 9	\$ 863	\$ -	\$ 9	\$ 3,555	\$ 789
22	Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Severance Payments	\$ 14,956	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Recruiting	\$ 105,462	\$ 44	\$ 5,520	\$ 14,362	\$ 4,150	\$ 3,341	\$ 22,899	\$ 15,929
25	Team Travel	\$ 1,315,793	\$ 33,536	\$ 91,391	\$ 125,468	\$ 154,917	\$ 73,232	\$ 129,221	\$ 139,241
26	Equipment, Uniforms and Supplies	\$ 233,375	\$ 4,202	\$ 15,606	\$ 23,350	\$ 26,450	\$ 14,164	\$ 19,624	\$ 23,853
27	Game Expenses	\$ 135,474	\$ 1,155	\$ 2,558	\$ 10,435	\$ 1,757	\$ 2,845	\$ 21,556	\$ 7,408
28	Fund Raising, Marketing and Promotion	\$ 29,089	\$ -	\$ 1,185	\$ 3,736	\$ 40	\$ 1,143	\$ 10,471	\$ 565
29	Sports Camp Expenses	\$ 96,854	\$ -	\$ 22,251	\$ 5,505	\$ -	\$ 22,252	\$ 572	\$ 5,505
30	Direct Facilities, Maintenance, and Rental	\$ 60,688	\$ -	\$ 4,519	\$ 2,297	\$ 824	\$ 3,328	\$ 40,550	\$ 2,635
31	Spirit Groups	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	Indirect Facilities and Administrative Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Medical Expenses and Medical Insurance	\$ 28,405	\$ 2,187	\$ -	\$ 256	\$ 2,947	\$ 139	\$ 638	\$ 440
34	Memberships and Dues	\$ 16,019	\$ -	\$ 378	\$ 867	\$ 7,097	\$ 603	\$ 668	\$ 870
35	Other Operating Expenses	\$ 171,515	\$ (4,117)	\$ 6,331	\$ 24,324	\$ 20,326	\$ 6,540	\$ 9,939	\$ 28,293
36	Total Institutional Operating Expenses	\$ 7,493,159	\$ 92,757	\$ 504,419	\$ 748,222	\$ 556,930	\$ 540,036	\$ 780,299	\$ 877,604
36a	Total External Operating Expenses (Sch 3)	\$ 207,827	\$ 1,438	\$ 3,996	\$ 12,723	\$ 8,483	\$ 4,014	\$ 81,637	\$ 12,027
36b	TOTAL EXPENSES	\$ 7,700,986	\$ 94,195	\$ 508,415	\$ 760,945	\$ 565,413	\$ 544,050	\$ 861,936	\$ 889,631
EXCESS (DEFICIENCY) OF INSTITUTIONAL REVENUES OVER INSTITUTIONAL EXPENSES		\$ (1,629,988)	\$ 2	\$ (136,382)	\$ (238,294)	\$ (200,366)	\$ (129,749)	\$ (321,146)	\$ (208,399)
EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER TOTAL EXPENSES		\$ (1,589,484)	\$ 977	\$ (133,171)	\$ (227,956)	\$ (192,987)	\$ (127,379)	\$ (308,878)	\$ (200,295)

**MONTANA UNIVERSITY SYSTEM
INTERCOLLEGIATE ATHLETICS**

**FINANCIAL AID SUMMARY
FOR THE YEAR ENDED JUNE 30, 2006**

CAMPUS	FEE WAIVERS						OTHER FINANCIAL AID			GRAND TOTALS
	Resident Waivers			Nonresident Waivers			Scholarships			
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
MSU-Bozeman	336,061	516,309	852,370	385,282	775,773	1,161,055	423,907	701,365	1,125,272	3,138,697
MSU-Billings	167,483	133,761	301,244	162,888	130,310	293,198	149,100	114,062	263,162	857,604
MSU-Northern	96,579	194,266	290,845	76,687	100,032	176,719	90,579	363,563	454,142	921,706
UM-Missoula	219,642	216,088	435,730	464,539	647,443	1,111,982	405,573	697,877	1,103,450	2,651,162
MT Tech of UM	120,667	294,424	415,091	50,937	74,764	125,701	5,000	21,867	26,867	567,659
UM-Western	74,780	108,020	182,800	42,092	91,874	133,966	27,416	46,741	74,157	390,923
TOTAL FINANCIAL AID	\$1,015,212	\$1,462,868	\$2,478,080	\$1,182,425	\$1,820,196	\$3,002,621	\$1,101,575	\$1,945,475	\$3,047,050	8,527,751

**Administrative, Budget, and Audit Oversight Committee
Information Item e.**

**FOR BOARD OF REGENTS DISCUSSION and DIRECTION
TUITION & FEES**

For your review, this document includes excerpts from specific Board of Regents policies that provide direction regarding the establishment of tuition and fees for the next two academic years. The Board of Regents' endorsement of Governor Schweitzer's College Affordability Plan also provides certain guidance in the setting of tuition and fees.

It is anticipated that tuition and fee proposals will be presented for your approval at the May 2007 Board of Regents meeting.

College Affordability Plan:

If the Legislature adopts the funding set forth in the College Affordability Plan, then the Board of Regents agree not to increase resident student tuition during the 2009 biennium

No Shifting of Costs to Fees – The Regents must commit to not increasing fees beyond what would be required for the normal programs that fees support. The Montana University System campuses will not shift costs from current unrestricted funding to fee supported programs.

Policy 940.12.1 – Annual fee and tuition approval; Disclosure of total cost of attendance

Board policy:

1. Approval of a schedule of fees and tuition will be done once every other year; generally in the meetings of May or July of odd numbered years. Requests for approval of fees or tuition at other times will only be entertained upon a demonstration of extenuating circumstances.
2. Each request to approve fees or tuition shall contain a statement of the total cost of attendance. The statement shall be based on the annual charges likely to be assessed against a typical full time resident student and a typical full time non-resident student for tuition, fees, board, room, and books on the campuses affected by the fee and tuition changes.

Policy 506.1 - Student Participation in Fee Decisions

Board Policy:

The associated student governments of the Montana University System will be given opportunity to take part in discussion with the Board of Regents concerning any

**Administrative, Budget, and Audit Oversight Committee
Information Item e.**

changes in tuition or fees. Before approving or increasing any fee, the Board of Regents will give the duly constituted student government organization the opportunity to express student opinion regarding the fee. Such expression will be based on formal actions of the student senate or a student referendum.

Procedures:

1. Each associated student government of the Montana University System will be sent notification of proposed changes in the aforementioned fees and the individual institutions will make a formal presentation to the respective associated governments prior to the time the Board of Regents is notified of these proposals.
2. Included in the individual campus request for proposed changes in the aforementioned fees to the Board of Regents will be a copy of the notification to the associated student government and documentation of the formal presentation. It is the intent of the Board of Regents not to entertain any proposals regarding any fee changes or initiation of new fees without the aforementioned notification and documentation of the presentation.

The Board of Regents, in its deliberations on fee changes or initiation of new fees, will review any information presented to the Board by the associated student governments.

Proposed Direction to Campuses in Setting Tuition and Fees for AY 2008 & AY 2009:

1. **Resident Tuition** -To date, the College Affordability Plan has been accepted by the Legislature, therefore it is anticipated that resident student tuition and WUE student tuition will not be increased. (Since the Community Colleges have not entered into a CAP agreement with the Governor, resident student tuition increases are anticipated for the Community Colleges.)
2. **Non-resident Tuition** – Each campus will be allowed to make a market decision with respect to non-resident tuition.
3. **Fee Increases** – If fees are to be increased, the increases should reflect real increases in costs directly connected to the purpose of the fee. Fee increases in excess of a normal inflation rate must include documentation.
4. **New Fees** – New fees should be a rare occurrence. Documentation of the necessity for the new fee and the fee amount will be required.

February 28-March 2, 2007

ITEM 134-2008-R0307

**Authority to Lease Space for MSU Alumni Association;
Montana State University-Bozeman**

THAT:

The Board of Regents of Higher Education authorizes MSU-Bozeman to negotiate and enter into a long term lease for space to accommodate the MSU Alumni Association.

EXPLANATION:

1. MSU-Bozeman currently leases space from the MSU Foundation to house the MSU Alumni Association in the Foundation Building, a non-University facility.
2. The Foundation requires more office space to accommodate the growth of its operations, and the only space available is that currently being leased to the Alumni Association. However, it is highly desirable and efficient to keep the Alumni Association located in the same facility as the MSU Foundation.
3. To accommodate the Alumni Association's continued presence in the Foundation Building, the MSU Foundation is willing to construct the additional space required by adding to their existing facility.
4. MSU-Bozeman will negotiate and enter into a long-term lease for the resulting total space occupied by the Alumni Association. The lease terms and conditions will be reviewed and approved by university legal counsel.



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

STAFF AND COMPENSATION COMMITTEE MEETING
Helena College of Technology
Student Center
Thursday, March 1, 2006
8:30 – 9:30 A.M.

8:30 A.M. Roll Call (and Review of Minutes if applicable [Link](#))

8:35 A.M. **ACTION**

- a. Discussion of employee compensation issues for Fiscal Years 2008 and 2009
- b. Discussion of Recruitment and Retention Task Force

9:15 A.M. **CONSENT**

Staff Items

- a. Authorization to Confer the Title of Professor Emeritus of Social Work Upon John Spores: The University of Montana - Missoula – [ITEM 134-1002-R0307](#)
- b. Authorization to Confer the Title of Professor Emeritus of Economics Upon Richard L. Stroup; Montana State University-Bozeman – [ITEM 134-2001-0307](#)
- c. Authorization to Confer the Title of Professor Emeritus of Horticulture upon Dr. Nancy Callan; Montana State University-Bozeman – [ITEM 134-2002-0307](#)
- d. Authorization to Confer the Title of Professor Emeritus of Architecture upon Jerry Bancroft; Montana State University – Bozeman – [ITEM 134-2003-0307](#)
- e. Authorization to Confer The Title of Professor Emeritus of Sociology upon Professor Joe W. Floyd; Montana State University – Billings – [ITEM 134-2705-0307](#)
- f. Authorization to Confer The Title of Professor Emeritus of Finance and Economics upon Professor Farzad Farsio; Montana State University – Billings – [ITEM 134-2706-0307](#)
- g. Staff; MSU Northern – [ITEM 134-2800-0307](#)

Labor Agreements / Other

- a. Approval of tentative Agreement with Montana Tech Faculty Association [ITEM 134-106-R0307](#) *(Full Contract)*
- b. Approval of University System/Employee Joint Venture Under MUSP 407 - Thompson; The University of Montana – [ITEM 134-1005-R0307](#)
- c. Approval of University System/Employee Joint Venture Under MUSP 407, Babbitt; MSU Bozeman – [ITEM 134-2009-0307](#)

INFORMATION

9:20 A.M. Public Comment

9:30 A.M. Adjourn

Other than the meeting starting time, the 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
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

MINUTES
STAFF AND COMPENSATION COMMITTEE MEETING
November 15, 2006

The Committee meeting convened at 3:45 pm.

Committee Members present: Chairman Stephen Barrett, Regent Clayton Christian, Regent Heather O'Loughlin, and Regent Mark Semmens.

Also present: Kevin McRae, Director of Human Resources and Personnel, Office of Commissioner of Higher Education (OCHE); OCHE Associate Commissioner Mick Robinson; MSU-Bozeman President Gamble; UM-Missoula President Dennison; UM-Western Chancellor Storey; UM-Tech Chancellor Gilmore; MSU-Billings Chancellor Sexton.

ACTION

- a. MSU-Bozeman summer faculty compensation, Item 133-104-R1106
This will allow Board of Regents (BOR) to continue its authorization of MSU-Bozeman to compensate key faculty to take on additional teaching responsibilities.
Chairman Barrett moved to recommend approval of item to the full board. Approved 4-0.
No public comment.
- b. Delegated authority for Commissioner approval of faculty contracts, Item 133-105-R1106.
This will give Commissioner of Higher Education (CHE) authority to approve roughly 2,000 faculty contracts, with the exception of tenure.
Chairman Barrett moved to recommend approval of item to the full board. Approved 4-0.
No public comment.
- c. Vehicle Safety policy, Item 133-106-R1106
This new policy establishes general guidelines for vehicles operated by any Montana University System (MUS) employee, student, or authorized person for MUS business.
Chairman Barrett moved to recommend approval of item to the full board. Approved 4-0.
No public comment.

INFORMATION

- a. Faculty Salary Comparisons
Follow-up information as requested by Chairman Semmens at September BOR meeting. Regent Semmens requested that Kevin McRae forward this information to Alan Peura, Legislative Fiscal Analyst.
Dr. Shannon Taylor, MSU-Bozeman, spoke and offered an alternative table comparing salaries. Regent Semmens stressed the need to read and act on the data.
- b. Recruitment and Retention Task Force
Regent Semmens urged the BOR to appoint a task force and look at programs such as a self-sustaining revolving loan fund for areas of high-cost housing.
President Gamble offered his thanks for the patience of this committee and the BOR. He strongly encourages a task force.
Public Comment: Erik Burke, MEA/MFT, stated they represent staff at all campuses except MSU. They have looked at this data, and what is missing is that Montana institutions are in the bottom 5% of campuses for staff salaries. Mr. Burke urged the BOR to include the unions in any task force.

- c. Employment contracts summary. This is a snapshot summary of employment contracts that were approved for 507 non-faculty administrative and professional employees as of October 24, 2006. No public comment.
- d. Update to BOR that Montana University System's third-party contract for the group indemnity health plan expires this year. OCHE sent out RFP's and hope to have a contract by the end of January. No public comment.
- e. Dr. Shannon Taylor presented a MSU Housing Video.

CONSENT

No public comment.

Regent Barrett moved to adjourn at 4:50 pm.

Next meeting scheduled for February 28 – March 2.

February 28, March 1-2, 2007

ITEM 134-1002-R0307

Authorization to Confer the Title of Professor Emeritus of Social Work Upon John Spores: The University of Montana-Missoula

THAT:

John Spores, Professor of Social Work, in his 30 years of service to The University of Montana, has merited the appreciation and Commendation of the Board of Regents of the Montana University System, and has earned recognition as Professor Emeritus of Social Work.

EXPLANATION:

The faculty of the School of Social Work wishes to recommend Dr. John Spores for emeritus status. Dr. Spores is retiring at the end of fall semester 2006 after 30 years of teaching at this institution, and having devoted 35 years to social work education.

Dr. Spores' accomplishments have been many, including a long, distinguished record of teaching in social work, as well as in program development over many years. In addition to his commitment to social work education at The University of Montana, he has been dedicated to social work education nationally and internationally through his volunteer work with the Council on Social Work Education. In this capacity, he conducted numerous accreditation site visits of other schools of social work, providing an extremely valuable service to the profession of social work.

In addition to his focus on social work, Dr. Spores has been deeply involved in a variety of international initiatives at The University of Montana. He was deeply involved in the development of Asian Studies, worked with the Mansfield Center, promoted international education, served as advisor to several diverse student groups, and secured a number of international practicum placements for social work students.

Dr. Spores has served as department chair several times, most recently contributing to the growth and enhancement of the Masters of Social Work Program and preparing for an upcoming accreditation site visit for both the undergraduate and graduate programs.

Dr. Spores has been a committed and exemplary student advisor, congenial colleague, supportive supervisor of staff, and deserving of being given the title Professor Emeritus. The faculty and staff of the School of Social Work strongly support this request in honor of a distinguished career of service.

February 28-March 2, 2007

ITEM 134-2001-R0307

Authorization to Confer the Title of Professor Emeritus of Economics Upon Richard L. Stroup; Montana State University-Bozeman

THAT:

Upon the occasion of the retirement of Dr. Richard L. Stroup from the faculty of Montana State University-Bozeman, the Board of Regents wishes to express its appreciation for his service to the University, the Montana University System, and the people of the State of Montana.

EXPLANATION:

Professor Stroup has worked as a professor of economics, engaged in teaching, research, and service duties, for the past 37 years. For the past three years, he has served as head of the Department of Agricultural Economics and Economics. Over his career, he has also served as the Director, Office of Policy Analysis in the U.S. Department of Interior, as Senior Fellow at the Property and Environment Research Center, and as an Adjunct Scholar for the CATO Institute. Dr. Stroup is a widely published author and speaker on economics, and he has written many articles for professional journals and popular media outlets.

Dr. Stroup's contributions to environmental and natural resource economics are numerous. In the late 1970s, he was one of the originators of the "New Resource Economics," the academic approach popularly known as free market environmentalism. His work in the area greatly influenced his choice to serve as the Director, Office of Policy Analysis in the U.S. Department of the Interior. Dr. Stroup's publications in this area are too numerous to list, but include the 2003 book *Eco-Nomics: What Everyone Should Know About Economics and the Environment*, which received the 2004 Sir Anthony Fisher Memorial Award.

Dr. Stroup's interests in this area have also led to his research on the role of economic institutions in promoting both economic development and environmental quality. He was named as the 2005-2006 Hayek Endowed Chair by the Hayek Institute of Vienna. Hayek Endowed Professors are internationally renowned scholars placed on a rotating basis in one of Austria's universities to teach in the tradition of the Austrian School of Economics, which emphasizes the role of information and entrepreneurship in economic growth and resource management. In that capacity, he presented two series of lectures at the University of Graz in Austria in 2006.

For these and other contributions, the Board of Regents of Higher Education is pleased to confer on Dr. Richard Stroup the rank of Professor Emeritus of Economics at Montana State University and wishes him well for many years in the future.

February 28-March 2, 2007

ITEM 134-2002-R0307

Authorization to Confer the Title of Professor Emeritus of Horticulture upon Dr. Nancy Callan; Montana State University-Bozeman

THAT:

Upon the occasion of the retirement of Nancy Callan from the faculty of Montana State University, the Board of Regents wishes to express its appreciation for her service to the University, the Montana University System, and the people of the State of Montana.

EXPLANATION:

Dr. Callan retired on December 31, 2006, after serving for 26 years as a faculty member at Montana State University. She earned her B.S. and M.S. degrees in Botany from Southern Oregon University and her Ph.D. in Horticulture from Oregon State University. She was hired in 1980 as an Assistant Professor in the College of Agriculture/Montana Agricultural Experiment Station, conducting horticultural research at the Northern Agricultural Research Center (NARC). She was promoted to Associate Professor in 1986 and Professor in 1992.

Dr. Callan has authored or co-authored 33 refereed publications, 6 reviewed publications, 6 abstracts and 3 proceedings of papers presented at scientific meetings, 2 invited presentations at national and international meetings, and 4 Extension bulletins. She has contributed significantly to Montana's agricultural industry through her research on biological control of soil- and seed-borne seedling pathogens, fruit bud cold hardiness, tree fruit mineral nutrition, and the development of specialty crops for western Montana.

Dr. Callan has served the University through her service on numerous departmental and college committees and through her public outreach efforts at the Western Agricultural Research Center.

For these and other contributions, the Board of Regents of Higher Education is pleased to confer on Dr. Nancy Callan the rank of Professor Emeritus of Horticulture at Montana State University and wishes her well for many years in the future.

February 28-March 2, 2007

ITEM 134-2003-R0307

Authorization to Confer the Title of Professor Emeritus of Architecture upon Jerry Bancroft; Montana State University – Bozeman

THAT:

Upon the occasion of the retirement of Jerry Bancroft from the faculty of Montana State University, the Board of Regents wishes to express its appreciation for his service to the University, the Montana University System, and the people of the State of Montana.

EXPLANATION:

Professor Bancroft joined the faculty of the School of Architecture at Montana State University in 1985 after teaching at Oklahoma State University, University of Idaho and University of Washington. He earned his professional degree in Architecture from the University of Southern California in 1968 and a Master of Architecture from University of Washington in 1971. He became a licensed architect in 1974. Affectionately known as “JB”, Professor Bancroft served as the Interim Director of the School of Architecture from 1988-1989 and as Assistant Dean, within the College of Arts and Architecture from 1989 through 1996. JB became Dean of the College of Arts and Architecture in 1996 and continued in that position until his retirement in July, 2006.

As a teacher and administrator, Professor Bancroft was renowned for his positive and professional leadership. He sought innovation through multidisciplinary involvement. He collaborated with faculty across campus as he combined music, architecture and mathematics to bring “Musi-tecture” to the University and beyond. He publicly presented this collaborative method of creatively joining the disciplines almost a dozen times within the State of Montana, twice nationally and three times internationally.

Dean Bancroft began “thinking green” before “green” was fashionable. He played an active role on the Montana State University Green Building Demonstration Project, and was Chair of the Bozeman Public Library Building Committee from 1999 through 2006. JB was instrumental in the Bozeman City Library adopting principles of “sustainability” in its design, construction and operation. As Chair of the Montana State University Facilities Planning and Utilization Board for thirteen years, he significantly contributed to the positive growth and future of the campus at Montana State

University. Under his guidance, numerous new buildings were added to campus and a master plan initiated.

As Dean of the College of Arts and Architecture, Dean Bancroft oversaw a College which grew significantly. Numerous new programs, both undergraduate and graduate, were added to the College. Technologies were integrated throughout the College and new facilities were added. Faculty numbers increased and the overall quality rose. Dean and Professor Bancroft has demonstrated the highest standards of the architecture profession, and served the School, College and University in a wide variety of roles.

For these and many other contributions, the Board of Regents of Higher Education is pleased to confer upon Jerry Bancroft the rank of Professor Emeritus of Architecture at Montana State University and wishes him well for many years in the future.

ITEM 134-2705-R0307

Authorization to Confer The Title of Professor Emeritus of Sociology upon Professor Joe W. Floyd; Montana State University – Billings

THAT:

Upon his retirement, Professor Floyd has completed a distinguished teaching career including 30 years of teaching including 29 years at Montana State University-Billings, formerly Eastern Montana College;

EXPLANATION:

Professor Floyd Served as department chair for 6 years including the time when Native American Studies was merged with Sociology and Political Science, 1985 -1991; he established the Computer Assisted Telephone Interviewing Laboratory at MSU Billings;

He served as the director of the Computer Assisted Telephone Interviewing Laboratory from 1989 through 2007; as in his capacity as Computer Assisted Telephone Interviewing Laboratory Director, he served as principal investigator or co-principal director for some 154 contracted research projects with a total contract amount of \$1,133,000; he co-directed 21 MSU-Billings Polls from 1989 – 2006;

He established the current system for administrative evaluations and has been the person responsible for this process since 1999;

He was chair of the University Rank and Tenure Committee from 2000 – 2003;

He taught Methods and the Capstone Courses in the Master Degree in Health Administration Program from 1999 through 2003;

He established the CONOCO Citizens Advisory Council and served on it from 1990 – 1998;

He was Montana Crime Prevention Crime Stoppers Association Volunteer of the Year in 1993.

He developed and taught a number of courses designed to facilitate personal growth among students;

He taught a summer school course illustrating the dysfunctional family paradigm with the work of Pat Conroy and Mr. Conroy came to Billings and spent a day with the class discussing his work.

Montana State University-Billings wishes to honor Professor Joe W. Floyd for his outstanding service to education, the regional community, and to his disciplines. This recommendation is accompanied by sincere thanks to Dr. Floyd for thirty years of invaluable service to the State of Montana, Montana State University-Billings, the College of Arts of Sciences, and the Department of Native American Studies, Political Science, and Sociology.

February 28-March 2, 2007

ITEM 134-2706-R0307

Authorization to Confer The Title of Professor Emeritus of Finance and Economics upon Professor Farzad Farsio; Montana State University – Billings

THAT:

Upon his retirement, Professor Farsio has completed a distinguished teaching career including 20 years of teaching at Montana State University-Billings, formerly Eastern Montana College;

EXPLANATION:

Professor Farsio has served the university in a variety of leadership roles including serving as the Director of the Graduate Program, College of Business; and as Chair of many committees including: the University Rank and Tenure Committee; Department Rank and Tenure Committee, College of Business; AACSB Intellectual Contribution task force; College of Business Graduate Curriculum Committee; and in many other leadership positions;

Professor Farsio has served the community in a variety of ways including as a consultant to area hospitals, art museums and businesses;

Professor Farsio has served his profession by publishing over twenty refereed journal articles and giving numerous presentations and recently completing a text book that is used in economics classes at MSU-Billings and California Polytechnic State University, Pomona;

Professor Farsio has won numerous awards for his teaching and scholarship, including six awards from the College of Business and two Faculty Achievement awards from the University:

Montana State University-Billings wishes to honor Professor Farsio for his outstanding service to education, the regional community, and to his disciplines. This recommendation is accompanied by sincere thanks to Dr. Farsio for twenty years of invaluable service to the State of Montana, Montana State University-Billings, the College of Business, and the Department of Business Academic Programs. Congratulations and best wishes for the future.

ITEM 134-2800-R0307, Staff; MSU-Northern **February 28-March 2, 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/Coaches

Mark Samson B.A.	Head Football Coach	Athletics	50,053 (10 months)	60,000 (12 months)				19.87%	1	7/1/2007	R-Retention	O-ex comp will be allowed for MSUN FB camps	NT
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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)

March 1, 2007

ITEM 134-106-R0307 **Approval of Tentative Agreement with Montana Tech Faculty Association**

THAT: The Montana Board of Regents of Higher Education approves the Tentative Agreement with the Montana Tech Faculty Association

EXPLANATION: See attached memo to Board of Regents from Kevin McRae, Director of Labor Relations and Human Resources

- ATTACHMENTS:**
- a. Memo to Regents from Kevin McRae
 - b. Summary of Tentative Agreement
Full Agreement may be viewed at:
<http://bor.montana.edu/board/meetings/2007/February-March07/Montana%20Tech%20Faculty%20Full%20Contract.pdf>

ITEM 134-106-R0307

TO: Montana Board of Regents

FROM: Kevin McRae, Director
Labor Relations and Human Resources

RE: Approval of Tentative Agreement with Montana Tech
Faculty Association

DATE: March 1, 2007

Attached is a summary of the tentative agreement reached with the Montana Tech Faculty Association. This bargaining unit consists of approximately 55 faculty members (roughly one-half the faculty) at Montana Tech's North Campus. This union-ratified tentative agreement is a first contract covering a new bargaining unit.

The agreement includes:

- Salary increases of 3.5 percent and 4.0 percent effective October 1, 2005, and October 1, 2006, respectively.
- Final and binding arbitration of grievances by a neutral party.
- Mandatory dues or representation fees deducted from employee paychecks and submitted to the union.
- No strike / no lockout during the term of the agreement.
- Term of the agreement expires June 30, 2009, with a re-opener in the summer of 2007, limited to the subject of base wages for October 2007 and 2008.

I recommend approval of the tentative agreement with the Montana Tech Faculty Association.

**Summary of Tentative Agreement
between
The Montana Tech Faculty Association
and
Montana University System
March 2007**

(First contract covering a new bargaining unit of faculty at Montana Tech)

UNION DUES

During the term of this agreement, members of the bargaining unit shall: (a.) become members and pay dues and membership fees to the MTFA, or; (b.) pay the representation fee to the MTFA for the administration of the agreement. The MTFA shall establish the amount of the representation fee in accordance with all legal requirements.

NO STRIKE / NO LOCKOUT

The parties agree that bargaining unit members shall not strike or engage in a work slowdown or stoppage and that the Employer shall not lock out bargaining unit members during the term of this agreement.

COMPENSATION

Fiscal Years 2005-2006 and 2006-2007

The normal increase for members of the bargaining unit shall be:

1. For faculty members employed in the bargaining unit as of the start of the 2005-06 academic year, a salary increase of 3.5 percent retroactive to October 1, 2005.
2. For faculty members employed in the bargaining unit as of the start of the 2006-07 academic year, a salary increase of 4 percent retroactive to October 1, 2006.

Salary re-opener in summer 2007 to negotiate base wages for October 2007 and 2008.

GROUP INSURANCE

Employer contributions for eligible employees of the Montana University System group insurance plan shall be in accordance with state statute MCA 2-18-703.

WORKLOAD

Department Heads are responsible for assigning faculty workload, subject to the approval of the Dean and Vice Chancellor of Academic Affairs and Research. The instructional portion of the workload shall be that deemed sufficient to meet programmatic needs as determined by the Department Head and Dean in consultation with department faculty. Workload assignments may be appealed to a workload appeals committee composed of two members appointed by the MTF and two members appointed by the Montana Tech Administration. The four members shall unanimously select a fifth member. The committee shall submit its recommendations to the VCAA/R. The decision of the VCAA/R to concur or not concur with the committee recommendations can be grieved pursuant to the Collective Bargaining Agreement grievance procedure only if it is in conflict with a four-to-one or five-to-zero vote of the committee in favor of the faculty member.

GENERAL PERFORMANCE STANDARDS

Evaluation of faculty members and program administrators at Montana Tech is an evolving process principally focused on ensuring excellence in improvement of teaching and learning, research and public and professional service. It is the responsibility of the faculty member to initiate evaluation procedures:

1. annually, for faculty with probationary appointments, as well as instructor, assistant and associate professors;
2. every third academic year for full professors;
3. each semester that a part-time faculty member teaches. Full professors to be evaluated in a given year will be notified by the VCAA/R.

Evaluation of Faculty

Faculty members shall be expected to prepare an evaluation portfolio following the guidelines listed below for evaluation of instructional performance, research and professional development, and institution and public service, as well as progress toward terminal degrees by those not holding such degrees and submit it to the respective Department Head. Using the evaluation portfolio as a guide, the Department Head shall interview each faculty member in his/her area to discuss the faculty member's evaluation portfolio, professional concerns and goals for the ensuing evaluation period, as well as student concerns that may have surfaced during the student rating of the instruction process. Identified strengths in some areas can offset weaknesses in other areas.

Instructional Performance

Instruction and learning are central to the mission of the Institution. The goal of instructional performance review is to help an individual to improve his/her teaching, to ensure excellence in teaching across the Institution, and to provide appropriate evaluation.

Research and Professional Development

The development of new knowledge is a necessary part of the professional life of all faculty members and is a central part to professional development. Performance review of research and professional development is carried out to assist a faculty member in

these activities and to ensure that the faculty at Montana Tech maintains the professional competence necessary to perform their duties at the highest possible level.

Service to the Community, the Institution, the Profession

All faculty members are expected to serve their community, their institution, and their profession. While instruction, scholarship, and research are themselves forms of service, this criterion assumes that, like professionals in other fields, faculty are expected to contribute their expertise more directly to meet the needs of the local community, the Institution, and the profession of which they are a part. This criterion reinforces the key concept articulated above under “academic freedom,” that the college or university teacher is a citizen, a member of a learned profession, and an officer of an educational institution.

TERM

This Agreement is effective upon the date of ratification by the Board of Regents and shall remain in full force and effect through the 30th day of June, 2009.

The parties agree to re-open the Agreement in 2007 to negotiate the base salary normal increases to take effect in October 2007 and October 2008. No other wage, hour, or working condition subjects are included in the re-opener.

February 28 – March 2, 2007

ITEM 134-1005-R0307

Approval of University System/Employee Joint Venture Under MUSP 407; The University of Montana

THAT:

The Board of Regents of Higher Education approves UM-Missoula employee Charles M. Thompson for ownership of an equity interest in, for service on the governing board of, and for work as a part-time employee of ATERIS Technologies LLC, a Montana Company. The Board of Regents of Higher Education further authorizes The University of Montana-Missoula to enter into agreements and contractual arrangements with ATERIS Technologies, LLC for use of University facilities and use of certain other resources.

EXPLANATION:

Dr. Charles M. Thompson, Professor of Pharmaceutical Sciences is an employee of UM-Missoula. He seeks approval to hold equity in, to serve as a part-time employee of, and serve on the governing board of Ateris Technologies, LLC, a company established to develop small molecule therapeutics, which could be beneficial in treating diseases and injuries to the nervous system. The research mission and focus of Ateris is on drug design, with an emphasis on discovery, pre-clinical testing, production and the eventual commercialization of these small molecules. A second area for commercialization is the development of diagnostic tests for biomarkers of disease and injury of the nervous system.

Dr. Thompson will work in accordance with a conflict management plan developed by UM. Under Policy 407 and MCA 20-25-109, university employees must have board approval to serve as officers, employees, or members of a governing board of a business entity, or to hold an equity interest in a business entity which has an agreement with, or shares ownership of intellectual property with, the university, relating to the development, licensing or commercial exploitation of that intellectual property.

UM benefits from this approval. By allowing this University-private sector relationship, small molecules developed at The University of Montana can be used to grow a Montana-based company, will set an example for other entrepreneurs from the University looking for opportunities for commercialization of their innovations and creations, and will generate goodwill for University employees and the private sector. The University will incur no net cost by entering into any arrangements covered by this agreement.

ATTACHMENTS:

Joint Venture Submission Form

EQUITY INTEREST/BUSINESS PARTICIPATION SUBMISSION FORM
MUSP 407

This form is to be submitted with any Board of Regents item when a campus seeks the approval of an agreement with or arrangement regarding an employee pursuant to 20-25-109 MCA and Regents Policy 407.

If any submission concerns matters of trade secrets or confidential business information, or any other matter entitled to privacy under state or federal law (e.g., the federal statute known as Bayh/Dole) the submitting campus may request consideration of the submission, in whole or in part, in executive session.

1. Summarize the nature of the intellectual property that was developed by the employee(s) seeking approval.

Libraries of small molecules, with potential applications to treat neurologic diseases or injuries, will be synthesized, tested and developed as candidates for drugs and diagnostics.

2. a. Name(s) of the university employee(s) involved.

Charles M. Thompson

- b. Name(s) of business entity(ies) involved and its relationship with the university or other public agency.

ATERIS Technologies LLC, a Montana Limited Liability Company

3. The university and employee(s) are seeking approval for (check as many as appropriate):

a. The employee *has or will* be awarded equity interest in the Business Entity.

b. The employee who is serving or may serve as a member of the board of directors or other governing board of the business entity.

c. The employee to accept employment from the Business Entity.
(Summer only)

4. How will approval of this relationship contribute to the objectives of the university's technology transfer and intellectual property development programs?

The benefits to U of M and the State of Montana arising from current and proposed research activities of ATERIS are:

The first relationship sought will be to allow ATERIS to subcontract with UM from an SBIR GRANT. From this relationship, ATERIS potentially has the opportunity to patent and license a

number of products and devices in the chemical detection field, especially in pharmaceutical and agrichemical fields, which may be important regionally, nationally, and globally. Agreements on specific technologies between ATERIS and UM are contemplated and can result in shared ownership rights. No specific agreements are possible at this time, since no invention disclosures have been filed. However, there is a strong likelihood that inventions will emerge from the UM subcontract supported by the SBIR award.

By allowing this University-private sector relationship to be established, intellectual property developed by University faculty can be used to grow a Montana-based company, will set an example for other entrepreneurs from the University looking for opportunities for commercialization of their innovations and creations, and will generate goodwill for University employees and the private sector. The University will incur no net cost by entering into any arrangements covered by this agreement.

It is expected that at some future date patents will be filed and shared between ATERIS and UM. At this time there are no revenue projections. The relationship with ATERIS brings a new collaboration, the possibilities for inventions and patents, and support for three people and equipment to UM. This is also an opportunity to broaden the research landscape at UM and the region, while providing the potential for economic development.

February 28-March 2, 2007

ITEM 134-2009-R0307

Authorize Request for Employee Participation in Company Under Regents Policy 407; Montana State University-Bozeman

THAT:

The Board of Regents of Higher Education approves MSU-Bozeman employee, William Randall Babbitt for ownership of an equity interest in S2Corp, in accordance with board policy and state law.

EXPLANATION:

William Randall Babbitt, Ph.D., is a Professor of Physics at MSU-Bozeman. He seeks approval to hold equity in S2Corp, a company involved in commercialization of intellectual property which Dr. Babbitt helped to develop. The company has licenses with MSU-Bozeman for such technology. Dr. Babbitt will receive equity for his work as a consultant for S2Corp and he will perform the work in accordance with a conflicts management plan developed by MSU. Under Policy 407 and MCA 20-25-109, university employees must have board approval to serve as officers, employees, or members of a governing board, or to hold equity in a company which has an agreement with, or shares ownership of intellectual property with, the university, relating to the development, licensing, or commercial exploitation of that intellectual property.

MSU benefits from this approval. MSU-developed technology is being commercialized with potential royalties to MSU; useful technology (laser technologies, including new and improved radar) for use in defense and civilian applications will be commercialized; funding for new academic research may result; and Dr. Babbitt's work will contribute to the success of a Montana-based small business in the Gallatin Valley.

ATTACHMENT:

407 Submission Form

EQUITY INTEREST/BUSINESS PARTICIPATION SUBMISSION FORM

This form is to be submitted with any Board of Regents item when a campus seeks the approval of an agreement with or arrangement regarding an employee pursuant to 20-25-109 MCA and Regents Policy 407.

If any submission concerns matters of trade secrets or confidential business information, or any other matter entitled to privacy under state or federal law (e.g., the federal statute known as Bayh/Dole) the submitting campus may request consideration of the submission, in whole or in part, in executive session.

1. a. Name(s) of the university employee(s) involved.
William Randall Babbitt, Ph.D., Professor of Physics, MSU-Bozeman
- b. Name(s) of business entity(ies) involved and its contractual relationship with the university or other public agency.

S2 Corporation has licensed various technologies from MSU-Bozeman which Dr. Babbitt helped to develop.

2. Summarize the nature of the intellectual property that was developed by the employee seeking approval

Laser technology developed at MSU's Spectrum Lab useful for defense and civilian purposes, including new and improved radar technology. The technologies were developed using federal funding and funding from S2Corp, a Bozeman company which has licensed the technologies.

3. The university and employee(s) are seeking approval for (check as many as appropriate):

- a. The employee has or will be awarded equity interest in the Business Entity.
- b. The employee who is serving or may serve as a member of the board of directors or other governing board of the business entity.
- c. The employee to accept employment from the Business Entity.

4. How will approval of this relationship contribute to the objectives of the university's technology transfer and intellectual property development programs?

S2Corp is an important technology-based company in the Gallatin Valley, employing more than 20 people and working closely with MSU's Spectrum Lab. Dr. Babbitt's collaboration may lead to commercial products, increased employment opportunities for students and graduates, future academic research funding at MSU including but not limited to joint funding opportunities between S2Corp and MSU, and increased economic vitality in Bozeman. Additionally, Dr. Babbitt's work with S2Corp will foster the dissemination of technology developed by MSU through successful commercialization.