12:30 P.M. ROLL CALL and APPROVAL OF THE MINUTES (Link)

ACTION

12:35 P.M. a. Utilization of Series J Bond Proceeds for Construction & Renovation of Academic Facilities; Fee Increases; UM-Missoula ITEM 132-1002-R0906
   b. Increase in Project Authorization for Inter-Disciplinary Science Bldg; UM-Missoula ITEM 132-1006-R0906
   c. Naming of Buildings; Revise Policy 1004.1 ITEM 132-104-R0906

INFORMATION

1:00 P.M. a. Audit Reports
   b. Budget Discussions with OBPP - Update
   c. Distance Education Tuition Discussion – Tom Gibson (Link)
   d. Distance Education Conversion; UM-Missoula – Bill Muse (Link)
   e. Concept Review: MUS Honor Scholarships - Bruce Marks (Link)
   f. Concept Review: Acquisition of Land – Super Fund Site (Link)
   g. Concept Review: Master Plan for South Campus; UM-Missoula (Link)

CONSENT

3:15 P.M. a. Improve Recreation Area near Hedges/Roskie Resident Hall Complex; MSU-Bozeman ITEM 132-2003-R0906
   b. Expend Computer Fees; MSU-Bozeman ITEM 132-2005-R0906
   c. Expend Equipment Fees; MSU-Bozeman ITEM 132-2006-R0906
   d. Expend Computer Fees; MSU-Great Falls COT ITEM 132-2853-R0906
   e. Expend Equipment Fees; MSU-Great Falls COT ITEM 132-2854-R0906
   f. Discontinue Work on OCHE/MGSLP Office Bldg Project/Release Series J Bond Proceeds for Alternative Use; UM-Missoula ITEM 132-1001-R0906
g. Replace HPER Building Gymnasium Hardwood Floor; UM-Montana Tech ITEM 132-1503-R0906

h. Purchase of property within acquisition zone; Helena College of Technology ITEM 132-1901-R0906 Appraisals may be found at http://www.montana.edu/wwwbor/AgendaDownloads5-06.htm

i. Expend Student Equipment Fees; Helena College of Technology ITEM 132-1902-R0906

3:20 P.M. PUBLIC COMMENT
The meeting came to order at 1:10 p.m.

a. Strategic Plan – Discussion
Item a. was deferred to the full board.
b. Report from the Associate Commissioner for Fiscal Affairs
   1. New Wellness Center – MSU-Northern
      Associate Commissioner Mick Robinson reported on the Wellness Center at MSU-Northern which was approved by the Board at the March, 2006 meeting. It is to be built with all donated funds. He indicated that the Governor had declined to approve it, and on May 17, the Committee had discussed the impact on Northern's ability to receive donations. The item will be included in the LRBP for Authority Only. Chancellor Capdeville is concerned since they have already received $500,000 from the gas and oil industries in their community. He indicated this action could tell donors that it is only tentative. They had never had this happen before. Regent Semmens asked Mr. Mark Bruno from the Governor's Office why there would be a problem when it will not involve state funds for anything, even O&M from the outset. Mr. Bruno mentioned that the Governor had approved the Lewistown project, and noted the Legislative Session was about 7 months away. Regent Semmens asked what the total was to be through fund raising, and Chancellor Capdeville indicated $1mil to $1.2mil. The campaign is active now, and they had hoped to have it complete in the next year.
      Associate Commissioner Robinson indicated he would like to have a visit with the Governor's office since this is a change of procedure, so he can get a better understanding of the rationale and how the MUS should approach projects in the future that will be built and maintained by 100% donated dollars. Should they go through the Legislature, or some other route? Mr. Bruno indicated it was no one's intention to affect adversely the ability of the campus to raise funds.
   2. Change in fees for Student Health Insurance
      It was reported that the Commissioner had approved the change in Student Health Insurance fees as directed by the Board.
   3. Approval of Contract with new vendor for Montana Family Education Savings Plan – ITEM 131-109-R0506
      Mr. Bruce Marks, Director the Montana Guaranteed Student Loan Program (GSL) indicated there are two issues in this. The Board needs to review annually reports from the vendor on the specific investment funds and revenues, less fees for a net return. According To Pacific Life, they are introducing a new pricing campaign nationwide that should bring them into line with other providers. They need to make the changes, and while there is no exact timeline, they hope to have a proposal by the end of summer or at least the end of the year. Regent Semmens indicated the Board had requested annual reports on fees and net of fees, and asked when that will be done. Mr. Marks noted that in the contract presented for approval, under Item 5 it is indicated they will provide that report to the Board by May 31 of each year. However, this year it will probably be the September meeting. Pacific Life wants to move from a high priced provider to a low priced, but certainly not more than middle priced provider. Regent Semmens indicated the median for fees is about 2%. Utah has about .3% because of indexed funds. He asked if GSL could encourage Pacific Life to go toward the indexed fund approach. Mr. Marks indicated these are included in the contract and it is not an exclusive agreement so they are able to use whatever funds they choose. Although the contract runs for 3 years, they can terminate it with 90 days notice.
      Action must be taken at this meeting to approve the contract.
   4. Foundation Operating Agreement; The University of Montana-Missoula - ITEM 131-1011-R0506
   5. Foundation Operating Agreement; The University of Montana-Western - ITEM 131-1603-R0506
      Both Operating Agreements meet the specifications of policy.
      The Committee recommends approval of Items 4. and 5.
   c. Approval of Project Priority List, Long Range Building Program Montana University System – ITEM 131-112-R0506
      Regent Semmens recommended approval of the LRBP and there was consensus of the Committee.
   d. OTO Appropriations – ITEM 131-113-R0506
      Item d. was deferred until Commissioner Stearns and Associate Commissioner Gibson could be present for the discussion.
   e. FY07 Tuition Rates, Flathead Valley Community College, and Dawson Community College - ITEM 131-104-R0506
The Local Boards have the option to present tuition for one year at a time. The Board of Regents approves tuition biannually. President Karas of Flathead Valley Community College explained that although the percentage is high, the actual dollar increase is low. They are attempting to catch up with the system. The State funding for community colleges has dropped per FTE. Each community college has local appropriations and mils, which are different in each community. President Cargill of Dawson Community College indicated their number is misleading. The Local Board approved 6% and also raised the cap to 15 hours. President Karas noted that one reason their mandatory fees increased is because building fees have not risen since 1989. All of these were approved by the Local Boards.

The Committee recommends approval of Item e.

d. Montana University System Revised Tuition Matrices – FY07 - ITEM 131-106-R0506
No action was required on this item since the Board had voted on the rebate in March, 2006. These were revised calculations to reduce tuition in 2007. The changes are effective Fall 2006.

e. Approval of Two Budget Amendment Requests; Office Commissioner of Higher Education - ITEM 131-115-R0506
Additional authority is being requested for FY06 and FY07. Additional authority will be requested through the Budget process for FY08 and FY09. These are all Federal funds. The Committee recommends approval of Item e.

f. Negative Fund Balance Report
Chancellor Capdeville reported MSU-Northern is meeting all payments on their deficits. Auxiliaries continue to be a challenge for Northern. Regent Semmens asked if the general operating deficit was to be decreased by $150,000. Chancellor Capdeville indicated that next year the balance will be $142,000. The payoff has been building into the operating budgets.

See the attached late report from MSU-Northern on the Negative Fund Balances. Reports for the other campuses were included with the Agenda.

g. Proposed Transfer of Real Property Interest in Lots 1 Through 22 of Block 32 of the Homevale Addition in the City of Missoula to Missoula County High School District No. 1 (MCHS) Pursuant to a Mediated Settlement Agreement & Release; The University of Montana-Missoula - ITEM 131-1001-R0506
This issue goes back to the transfer of the Vo-Techs to the University System. When the Missoula Vo-Technology became part of UM all the property was transferred with a dollar payment except for this piece. It is referred to as the Homevale Addition. It was originally purchased by Bill Gallagher for vocational education. The School District made payments on the Bonds. There was disagreement on ownership and it was sent to mediation. The decision was for 70-30 ownership, with UM having 30% ownership. The property should sell for a total of $300,000. The Land Board must approve this, and the Board of Regents needs to approve it so the Commissioner and President Dennison can sign off when it is approved by the Land Board. Associate Commissioner Robinson indicated they needed the Board to authorize the Commissioner and President to approve the final settlement, which still needs to be completed. The language needs to be refined. The proceeds will go to the College of Technology as intended by Bill Gallagher.

The Committee will recommend approval of Item g.

h. Authorization to Secure Intercap Loan from Board of Investments for campus expansion – FVCC – ITEM 131-108-R0506
The Local Board of Trustees had approved the resolution to request the approval of the Board of Regents and then the Board of Investments. The bond issue was approved in 2002 for $15.6mil, and the delay that ensued between 2002 and 2006 increased the cost extensively. After cutting back the scope of the building, the campus is left with a $3.5mil gap between the bonds and the current cost. They are currently in the silent phase of a campaign to raise funds through donations through the foundation.

The Committee will recommend approval of Item h.

i. Intercollegiate Athletics Financial Accomplishments and Revised Plan; The University of Montana-Missoula – ITEM 131-1009-R0506
Regent Semmens congratulated The University of Montana on this accomplishment.

The Committee will recommend acceptance of the revised plan.

j. Authorization for Annual Automatic Indexing of Student Fees; The University of Montana-Missoula - ITEM 131-1012-R0506
This item reflects an agreement struck between student government and management. President Dennison indicated they had narrowed the fees to two to be indexed. They recommend indexing fees by the inflation rate or up to 5%. Over 3.5% increases would be reviewed by the student senate and could be turned down. Any increase over 5% could be overturned by a super majority of students. There will be a biennial review, and they plan to move forward one year from now. Associate Commissioner Robinson asked how this would work with the
Board approval of fees on a two year basis. **President Dennison** indicated they would present the actual increase for the first year and the estimated increase for the second year. **Commissioner Stearns** noted that Regent O'Loughlin wanted to be part of this discussion and requested it be revisited with the entire Board. **Regent Semmens** noted they are nearing the end of revising the Allocation Model which should indicate what the system concept of tuition and fees should be. He wanted to have time to consider this concept in the overall discussion of tuition and fees. **President Dennison** indicated he didn't know if timing was an issue, but said they had reached agreement on campus and would like to move forward. **Regent Semmens** asked if the Commissioner had a recommendation. **Commissioner Stearns** indicated her office had been waiting for this discussion as well. She said they tend to ask other campuses if they have looked at the particular issues and she is not aware that has been done on this item. In support of the item, she noted that it addresses the issue that came up two or four years ago when the Board advised the campuses and O&HE to have more steady and constant fee increases rather than holding them for ten or more years and then need a large increase. She questioned why only two fees were included, and although she has no stand against the item, she does have concerns about the need for more research on the system level. **Regent Semmens** indicated the item merits thought and consideration and asked if any other CEO had looked at this type of thing. None had done so.

Further discussion was deferred to the full Board.

k. Renew Authorization to Provide Fire Suppression in Johnstone Center; MSU-Bozeman - **ITEM 131-2005-R0506**

The committee will recommend approval of Item k.

l. Naming the “Harlan & Terri Byker Auditorium”; MSU-Bozeman - **ITEM 131-2006-R0506**

The committee will recommend approval of Item l.

m. Series K 2006 Facilities Revenue Refunding Bond Issue; MSU - **ITEM 131-2007-R0506**

Item m. was deferred to the full Board the following day to allow Bond Counsel to be present for discussion.

n. Adoption of A Definition of “Academic Buildings”; MSU - **ITEM 131-2010-R0506**

**Associate Commissioner Mick Robinson** indicated this item was for clarification on the issue of O&M on academic buildings. **President Gamble** said he believes the State should cover O&M for any state building regardless of the source of funding to build. **Mr. Robinson** asked that no one take a position on this today but have the discussion and reference the cash funded on HB 5 which indicates O&HE should work with the Budget Office, the Legislature, and A&E to reach agreement on what is to be presented to the Legislature. He recommended adding the issue of O&M to the discussion. Some buildings that were moved forward by the Board outside the Legislative process always had the statement that O&M would not be covered with State funds. These are touchy issues and it reaches back to the earlier decision to use indirects for these costs. **Mr. Robinson** preferred that no action would be taken that would be a line in the sand. The ambiguity relates solely to academic buildings and the Legislature has said in HB 5 that O&M needs to be covered for academic buildings. He wants the MUS to be in line with other state agencies and get this straightened out. **Regent Barrett** asked if adoption of this item would apply retroactively and **Ms. Pam Joehler** indicated it would apply to buildings approved in the last Legislative Session, with a couple changes in previously approved buildings, and in the future. The balance would be dealt with down the road. In answer to Commissioner Stearns, **Mr. Craig Roloff** reported he had started working on this the first week of January and they did work with UM. They shared the item at the system level at the end of January. **Mr. Roloff** indicated they were presenting the item to the Board at this meeting to move it from behind the scenes to the forefront. He said they did not expect immediate endorsement. Further, the campuses were aware there was a meeting called between the Executive, Legislative, and MUS and they were pleased about it. However, they hope to be participants in future meetings. **Mr. Roloff** expressed the hope that both the State and the System would use reason in developing this. **Regent Semmens** indicated he hoped there would be no sides taken in the issue, but rather full collaboration. He said the key research campuses need to be at the table. A recommendation needs to be available to the board at the November meeting in order to have it ready for the Legislative session. It was noted that all research buildings are built with non-state funds, and a handful of academic buildings are built with non-state funds. **Chancellor Gilmore** reported that nationally, research is not considered separate from academia. The group will get together and continue to work on this issue.

Following a 15 minute break, the Committee reconvened at 3:30 p.m.

o. Business Process Redesign Incentive Payments; MSU-Bozeman - **ITEM 131-2011-R0506**

**Mr. Craig Roloff** explained that all four campuses and the three agencies were engaged in the review of all business processes under the umbrella of Administration and Finance. The objective was to establish a database of one set of data elements and one set of standard processes that would be shared by all entries at MSU. This was a three phase project: the first phase will be complete at the end of June, the second at the end of December or early January, and the third will be complete next academic year. There are ten teams doing an incredible amount of work, and the campus wants to recognize their efforts with some form of award. That is the purpose of
Mr. Kevin McRae reviewed the item and found no problems, and indicated it was consistent with the strategic pay policy of the System. Regent Barrett asked why this was only being done on one side of the system. President Dennison said it would be good sense to have a system wide committee. He noted they had done it several years ago at UM for the Data warehouse project, and had hundreds of thousands of dollars in savings. Regent Semmens said he hopes this is considered by other campuses to show best practices.

The Committee will recommend approval of Item o.

p. Board of Regents Policy 940.13 Tuition Waivers: Montana University System

Associate Commissioner Mick Robinson referred the group to # 7 of the mandatory tuition waivers. He noted it still needs added language. Part 8 is discretionary waivers. Two percent of the dollar amount limits is allowed for out of state waivers. Part 9 a. is Financial Need, and he requested direction from the Board on some issues such as need-based versus merit based aid. By nature, some will be merit based, but they have included language in the original policy that requires a need. He asked if the Board believed that was appropriate, or if it should include financial need whenever possible. The bottom line for waivers in 2001 was short of $10mil and in 2006 had grown to $21mil. Those increases are paid by increased tuition costs. There will be a significant increase in the High School Honors Scholarship as it phases in. Most waivers fall under the mandatory category. Mr. Doug Kaercher spoke about the Boys and Girls Club which targets the most disadvantaged youths from the ages of 5 to 18 years and on the reservations. He reported that Wyoming now gives a full tuition waiver for the Youth of the Year, and Colorado gives one full waiver and a $5000 scholarship for the club Youth of the Year. Mr. Cole Horman, Youth of the Year received a $5000 scholarship, and he reported that the Club had given him speaking skills, and the scholarship had changed his life. After one year of college he is now self sufficient and his parents no longer need to support him. Mr. Kaercher requested the Board to look at this as an investment rather than a waiver. Mr. Bruce Marks noted that MGSLP had funded this particular scholarship for Mr. Horman. Regent Barrett said he feels like a grin when trying to differentiate between need based groups since there is more need that money available. Mr. Kaercher indicated that most organizations are generally merit based in awarding scholarships, however the Boys and Girls Clubs deal with those who have taken their boot straps and pulled themselves up. Regent Semmens said he was concerned about the sharp increase in dollar amounts, with an annual growth rate of 18%. He noted it was not ether but real costs that affect the overall affordability of the institution. If it had grown at 5% like the rest of the costs, tuition would be 5% lower. Fee waivers increase from increased utilization, and by virtue of limited state support. If these are allowed to grow at these rates, it directly relates to the affordability for all students.

Regent Semmens asked if it would be good to eliminate the Registration Fee. Commissioner Stearns indicated it should probably be left alone, but parents need to receive one bill, and not 18 discreet pieces. The System should look at folding in the costs that have been separated out. Regent Semmens said that was appropriate in order to get their arms around a more appropriate approach to tuition and fees, not that it means they are the same for all campuses. Regent Christian noted that a lot of fees aren’t waived, and if they are put into tuition then those waivers increase. Regent Semmens addressed the issue of need based language and if there should be some hedge language included. His own inclination was that some are inherently need, and some inherently merit. President Dennison said they should make that provision in those that need it. His recent studies of merit with the need based element included work better than simply one way or the other. Commissioner Stearns noted there is movement at the state and national levels to increase need based, and Montana is lower than most in that area. She believes the need based element should be included in those that logically should have it. Regent Semmens moved to partial waivers versus full waivers, and indicated he favored partial. Mr. Robinson noted there is language already in the discretionary waivers policy, but they want to move toward partial waivers for the mandatory waivers as well. The groups will work on this issue and make a full report at the July meeting.

On the National Guard waiver, Regent Barrett indicated it should be partial. Regent Semmens noted they also need to get funding for this waiver. They need to go to the Legislature for funding 50% of the fee waiver (several hundred thousand dollars), and show them that unfunded fee waivers are being funded by the other students. Commissioner Stearns stated that former Associate Commissioner Sundsted had handled this waiver. The Legislature did not misunderstand that these were unfunded, but they were looking strictly at the patriotic side of it. She indicated she was not anxious to run this through the Legislature again, but would rather have the Board make a decision. They need to make accommodation to the Legislative intent with a partial waiver, and if a full waiver is to be given then the state needs to fund it. She explained that these are permissive waivers but are called mandatory because not to give them would be problematic with certain interest groups. Regent Semmens indicated this would not be resolved today, but encouraged further discussion with the full Board tomorrow and then
to have something for the September meeting. His concern is not that students are undeserving, but rather the impact on tuition.

This item will be further discussed with the Full Board tomorrow.

q. Revision to language contained in Item 129-2801-R1105- Authorization to Establish a Mandatory Lewistown Building Fee; Montana State University-Northern - ITEM 131-2801-R0506

This item is simply to remove the O&M paragraph from the previously approved item since it will be funded by the approved building fee. If the O&M issue is changed with the state, then the building fee would be reduced for the students.

The Committee will recommend approval of this item.

d. OTO Appropriations – ITEM 131-113-R0506

It was the general consensus that before any of these initiatives would be funded, the core needs must be fully funded. The Deferred Maintenance for the Community Colleges was added to the Initiatives.

r. Public Comment

A group of agriculture producers addressed the research needs and financial difficulties of their industries.

The Committee adjourned at 5:20 p.m.
ITEM 132-1002-R0906  
**Authorization to use Series J bond proceeds for the construction and renovation of academic facilities at**  
The University of Montana-Missoula and to implement an increase in the current Academic Facilities Fee beginning in FY-08; The University of Montana-Missoula

**THAT:**  
The Board of Regents of the Montana University System authorizes The University of Montana to expend Series J bond proceeds in the amount of $5.75 million for the construction and renovation of academic facilities and authorizes an increase in the Academic Facilities fee charged to Law Students, Journalism students, and the student body as a whole in order to provide the funds necessary to service the Series J debt.

**EXPLANATION:**  
With the cancellation of the OCHE/MGSLP building project, The University of Montana-Missoula proposes to redirect $5.75 million in Series J bond proceeds to various campus construction projects. Bond proceeds will be used as indicated below:

- $2.45 million to assist in the construction of an addition to the Law School building
- $1.0 million for furnishings and equipment for Anderson Hall (Journalism)
- $1.8 million for classroom and laboratories facilities in the Interdisciplinary Science Building
- $.5 million to be held in reserve for one or more of the above projects as a hedge against unanticipated construction inflation

Debt service for the $5.75 million amounts to approximately $430,000 per year and will be funded as follows:

- Beginning FY-08, Law Students will be assessed an additional Academic Facilities fee in the amount of $50 per semester and $1.25 per credit hour.
- Beginning FY-08, Journalism Students will be assessed an additional Academic Facilities Fee in the amount of $50 per semester and $1.25 per credit hour.
- Beginning FY-08, the student body at large will be assessed an additional Academic Facilities Fee in the amount of $1.25 per credit hour.
- Student contributions to this debt service will cease when either alternative revenue source is found for the debt service or when the bonds are paid in full
ITEM 132-1006-R0906  Authorization for the Increase in Project Authorization for the Inter-Disciplinary Science Building; The University of Montana-Missoula

THAT:

Consistent with the provisions of MCA 18-2-102, the Board of Regents of the Montana University System authorizes The University of Montana-Missoula to increase the project budget to construct the Inter-Disciplinary Science Building. This original request for authority was in the amount of $12,000,000. This request is to increase the project authority to $13,800,000.

EXPLANATION:

The additional funding for this project will come from a portion of the bond funds previously allocated for the Helena Multi Purpose Building (OCHE). The increase in funding is needed to offset construction inflation that will occur between now and FY-09 when the building is completed.

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

(a) Project Description:
The work performed under this authority encompasses the construction of The Inter-Disciplinary Science Building. The current inventory of lab space available for research and grant projects is completely assigned. Funded research activity is continuing to grow with additional research faculty to be hired this coming year.

(b) Cost Estimate and Funding Sources:

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<td>Construction</td>
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<td>Architectural Fees, Surveys, and Project Administration</td>
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<td>Utilities &amp; Parking</td>
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</tbody>
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This project will be financed with unrestricted funds.
(c) Programs Served, Enrollment Data, Projected Enrollments:
Funded research activity, and the graduate and undergraduate instruction that it supports, has been steadily increasing over the last 10 years. As a result, the current inventory of assignable lab space has been exhausted. Further compressing existing research programs space to accommodate graduate and undergraduate students, new faculty hires and their grant activities will seriously damage on-going research programs and/or prevent any future expansion.

(d) Space Utilization Data:
The work completed under this authority will provide approximately 68,000 square feet of new academic space that is not currently available on campus.

(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 this facility are projected to be $672,520 for the first full year of operation in FY 2010. O & M will be pro-rated between state and non-state uses
ITEM 132-104-R0906  Naming Of Buildings; Physical Plant; Montana University System--(Revised Policy 1004.1)

THAT: The Board of Regents revise Policy 1004.1 of BOR Policy and Procedures Manual as per attachment.

EXPLANATION: Board of Regents Policy 1004.1 currently requires regents approval for the naming of Montana University System "buildings or other property." This broad term appears to include all campus property, from buildings to park benches.

The proposed revision would retain regents approval authority for "buildings" and "significant exterior spaces," as defined, and give campus chief executive officers the authority to approve the naming of property other than buildings and significant exterior spaces, in compliance with a written campus naming policy.

The revised policy defines "buildings" as "all buildings, athletic facilities and significant interior spaces such as theaters or auditoriums that seat more than 250 people, owned by the State of Montana and under the control of the Montana University System." The revised policy defines "significant exterior spaces" to include "parking lots, assembly areas, malls, and streets owned by the State of Montana under the control of the Montana University System."

Review of the proposed policy was undertaken at campus request and the revised policy is the result of collaboration between the office of the commissioner of higher education and the campuses.

ATTACHMENTS: Policy 1004.1 (Revised)
MONTANA BOARD OF REGENTS OF HIGHER EDUCATION  
Policy and Procedures Manual

SUBJECT: PHYSICAL PLANT  
Policy 1004.1 - Naming of buildings  
Revised: Proposed August 16, 2006

Board policy:

Definitions:

1. For purposes of this policy, the term “buildings” shall include all buildings, athletic facilities and significant interior spaces, such as theaters and auditoriums that seat more than 250 people, owned by the State of Montana and under the control of the Montana University System.

2. For purposes of this policy, the term “significant exterior spaces” shall include parking lots, assembly areas, malls, and streets owned by the State of Montana under the control of the Montana University System.

Policy:

1. Buildings, significant exterior spaces and other property of the campuses of the Montana University System may be named after or dedicated in honor of a person or entity in recognition of significant contributions to the social, academic, scholarly, research, or student life of the campus or in recognition of substantial charitable gifts to the campus.

2. Buildings and other property of the Montana University System may not be named or dedicated in honor of a person currently employed by the Montana University System or the State of Montana.

3. Buildings and significant exterior spaces may be named after or dedicated in honor of a person or entity only upon approval of the Board of Regents. Buildings and other property of the Montana University System may be named for an academic field or designated by a functional description without the approval of the Board of Regents.

4. Names assigned to campus property are intended to be enduring. Changes should be made only when significant changes occur to the property (such as major renovation or demolition), upon agreement of the honoree, or as a result of other, extenuating circumstances.

5. The presidents, chancellors and deans/CEOs are hereby delegated the authority to approve the naming of property, other than buildings and significant exterior spaces, in compliance with the campus naming policy.

Procedures:

Each campus in the university system shall adopt a policy for naming property, which shall, at a minimum, include the following:
1. The requirement that the contribution of the person or entity for which property is named must be commensurate with the honor and compatible with the mission of the campus.

2. A description of the types of property eligible for naming and the procedures for approval for naming opportunities and commitments.

3. Safeguards against unauthorized naming commitments.

4. The criteria and procedure for changing the name of campus property.

5. The requirements and limitations for signage to signify the named facility, if any.

Each campus shall notify the president and the commissioner of higher education when the policy for the campus has been adopted and shall provide the web address for the policy.

History:

Item 204-007, November 27, 1967, as superseded by Item 2-014-R1073, October 19, 1973, and revised March 23, 1976 and November 18, 1999 (Item 104-103-R0999) and May 24, 2002 (Item 115-107-R0502).

Table of Contents or Section 1000 Contents
DISTANCE LEARNING TUITION AND EXCESS CAPACITY
Follow-up to the July 2006 Board Meeting

Background from the July 2006 Regents Meeting:
It was brought to the attention of the Commissioner’s Office that some campus tuition matrices related to state-supported distance learning courses had not been approved by the Board of Regents. A number of questions and concerns were raised, at the July meeting, regarding this issue. A more complete study of the various questions/concerns was requested by the Board for discussion at the September 2006 meeting.

Issues:
In 2003, the Board of Regents allowed campuses to charge non-resident students a minimum tuition rate of 150% of resident tuition, based on discussions of excess capacity, cost of delivery, and the market for distance education. In addition, over the years the Regents have approved several program-specific tuition rates that have ultimately been applied to other programs from the respective campuses. As a result, some of the on-line tuition & fee matrices have not been formally submitted to the Regents for review and approval. The discussion has also given rise to related questions of whether student FTE is being properly reported, whether State General Funds are being improperly used to subsidize non-resident students, and whether distance Learning tuition is being properly recorded in the campus’ current unrestricted fund.

Discussion:
In general, the campuses have taken different approaches to the creation, display, and establishment of distance education tuition and fees. The campus that did not present distance education tuition and fee matrices for annual review advised that they simply did not realize that it was necessary, given the May 2003 Board approval (Item No. 120-2005-R0703) for establishment of a distance education non-resident rate of 150% of the resident tuition rate for “excess capacity” programs. One campus charges 200% of the resident rate for non-residents, based upon “excess capacity” in order to fill the class rosters. Other campuses charge the 150% resident rates for non-residents, and have included those tuition & fee matrices in the material submitted to the Board each year.

We have discussed the tuition and fee approaches used by each campus for distance education, and have found no reports or actions that would indicate that state general fund monies are being used to directly subsidize non-resident students, as the campuses do carefully report their respective student FTE each semester. We have also found nothing that would indicate that tuition revenue from distance education courses is being improperly recorded and reported.

We know the number of non-resident students and FTE that have been assessed rates other than the full non-resident rate at each campus, but we have no basis to measure a correlation of whether, or to what degree, the pricing was a factor. Also, the term “excess capacity” in distance education has not been clearly defined or consistently applied by all campuses.

Nationally, the determination of Distance Learning “cost of education” models has evolved into a complex science at some campuses with no real widely accepted “best practices.” The only real “fact” associated with distance education cost of education models is that the model development and delivery can be easily, yet acceptably, altered. This is why we
recommend the MUS should utilize the already-existing cost of education models for both on-site and on-line programs at each campus.

There is a wide variability and inconsistency in the establishment of both tuition and fees for the distance education courses offered across the campuses of the MUS. In addition to the wide variety of practices cited above relative to distance education tuition, there are also significant variations in the manner in which fees are established and assessed for distance education course delivery. This is best evidenced in the summary attached schedule of fees taken from the FY06 campus matrices posted to the MUS web site.

Recommendations:
We recommend proceeding with the on-going discussion and analysis of distance education tuition and fees with the campuses, with a goal to propose a separate and defined distance education Tuition & Fee Matrix at the November 2006 Board of Regents’ meeting.

We expect that resident tuition rates will likely remain the same as they are for on-site students. We also expect to recommend that the minimum non-resident rates be set at a fixed percentage (probably between 150% and 225%) of the resident rates in order to ensure that the campuses can meet their calculated “cost of education” with the aggregate pool of non-resident on-site and on-line students. Campuses would be free to set higher non-resident rates, subject to Board approval. Using this methodology, “excess capacity” will no longer be a criterion for setting non-resident on-line tuition and each campus will have a clear guideline from the Board in setting this type of tuition.

The proposed distance education Tuition & Fee Matrix proposal will also propose changes to the fees associated with the fully on-line student versus the student who resides on-site but also takes some classes on-line. Current Board Policy for Simultaneous Registration (No. 305.10) provides some general guidance for review and adjustment to fit today’s on-line student. Goals of the new proposal will be to:

- Reduce the large number of tuition & fee matrices that the campuses must maintain and the students must try to decipher when they enroll in a distance learning course;
- Continue to bring greater clarity for all users and a more consistent approach for the campuses;
- Provide a logical and rational approach to the assessment of fees for the on-line and distance education student.
MANDATORY FEES:

- ONLY the Registration Fee is consistently assessed by all campuses and at the same rate, per BoR Policy.
- Are assessed to each student registering at the campuses, regardless of the academic program.
- Are applicable to the student, not to the campus.
- Are assessed with the same starting at 1 credit at lesser rates, attaining full assessment by 7-8 credits, while others start at 8 credits or more.
- Include some which are capped at the 12 credit flat spot, while others are assessed as a per-credit fee through the entire student credit load.
- Are assessed at the same cost per credit throughout the credit load for some fees, while others start with a base fee that is incrementally increased per credit.
- Are determined by the respective campus, vary widely amongst the campuses, and are generally permissive based on Board policy.
- Generally deposited into campus non-general operating funds, dependent upon the ultimate purpose for the fee.
- Include the Utility Surcharge Fee and Registration Fee which are deposited to the General Operating Fund by all campuses assessing them.

<table>
<thead>
<tr>
<th>Building Related Fees</th>
<th>Academic Support Fees</th>
<th>Other Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>Building</td>
<td>Academic Facility</td>
</tr>
<tr>
<td>MSU-Bozeman $30.00</td>
<td>$5.30/cr to 12 cr</td>
<td>none</td>
</tr>
<tr>
<td>MSU-Billings 30.00</td>
<td>flat $106.00 @ 7 cr</td>
<td>$23 @ 7 $15/cr</td>
</tr>
<tr>
<td>MSU-Northern 30.00</td>
<td>10.71/cr to 10 cr</td>
<td>3.21/cr to 12 cr</td>
</tr>
<tr>
<td>MSU-GF CoT 30.00</td>
<td>5.12/cr to 12 cr</td>
<td>none</td>
</tr>
<tr>
<td>UM-Missoula 30.00</td>
<td>2.65/cr to 12 cr</td>
<td>2.15/cr to 12 cr</td>
</tr>
<tr>
<td>UM-MT Tech 30.00</td>
<td>5.75/cr to 12 cr</td>
<td>2.18/cr to 12 cr</td>
</tr>
<tr>
<td>UM-Western 30.00</td>
<td>80.50 @ 7 cr</td>
<td>1.95/cr to 12 cr</td>
</tr>
<tr>
<td>UM-Helena CoT 30.00</td>
<td>2.30/cr to 12 cr</td>
<td>1.80/cr to 12 cr</td>
</tr>
</tbody>
</table>

NON-MANDATORY FEES:

- Include course and program fees for consumables, materials, activities and pass-through fees.
- Include other fees such as fines, rentals, and certain Auxiliary fees.
- Are generally deposited into campus Designed, Auxiliary, and Plant Funds.

Examples:
- Admissions
- Auditor Fee
- ID Card
- Transcript
- Study Abroad
- Late Registration
- Listener Fee
- Graduation
- Parking
- Extended Studies
- Late Payment
- Locker
- Distance Learning
- Long Dist
- Course Challenge
- e-Payment Fee
- Includes Site Fees & Delivery Fees
- Foreign Student

SOURCE for above info: MUS Web Site
Conversion of Self Support Courses to State Support  
The University of Montana  
Missoula, Montana  
January 1, 2007

The University of Montana is preparing for the conversion of a significant amount of coursework currently offered through Continuing Education at The University from self support to state support. It is conservatively estimated that 300 resident FTEs will move from self to state support as result of this effort. It is further estimated that the revenue and expense amounts in general funds will increase by $1,000,000.

The request for increased spending authority (based on increased FTEs) will be submitted to the Board of Regents for consideration at their November meeting. At the same time, a request will be made for revised tuition and fee matrices that reflect the pricing structure outlined above.

This work has developed because:

- recent unexpected shortfalls in residential enrollment FTEs without a concurrent loss in the headcount led to several in-depth analyses of enrollment patterns. It was found that a good number of UM students have increased their participation in Continuing Education (CE) self support courses, earning credits toward their degrees. Because many CE courses were offered as part of self support programs, the FTEs generated in those courses were “lost”, and not counted toward the UM enrollment for state appropriations.

President Dennison implemented a comprehensive plan to

- examine self support coursework
- identify courses that are more appropriately organized as state support than self support
- prepare for the conversion of these courses to state support
- enact the necessary Banner and business changes to carry the changes
- coordinate activities across campus as well as with officers from the Office of the Commissioner of Higher Education
- assure a smooth transition for students, faculty members and administrators to the new model set to go in place January 1, 2007

Attached is a detailed outline of the work that has been completed for this project.
Through the last several years, The University of Montana administrators have had intermittent conversations regarding the conversion of many self support courses to state support. Impetus for more immediate change came when the recent shortfall in residential enrollment led to a reversion of appropriations. When enrollment figures were examined, it appeared that there had been an unexpected decrease in the number of students although headcounts had not declined at the same rate as the FTEs. After more thorough investigation, it was found that a good number of UM students were increasing their participation in Continuing Education (CE) self support courses, earning credits toward their degrees. Because many CE courses were offered as part of self support programs the FTEs generated in those courses were not counted toward the UM enrollment for state appropriations.

As a result, it became apparent that the University must capture those FTEs that were “lost” to self support. Consequently, President Dennison made the charge to develop the appropriate policies and procedures that will enable all suitable self support courses to be moved to state support by January 1, 2007. Multiple courses found in UM Online, Extended Degree Programs, Extended Coursework and Wintersession will be moved to state support. The criterion being used to determine whether courses should be moved is: *Any course that can be taken for academic credit toward a degree will be considered “state support.”*

In addition, The University of Montana is aware that the Board of Regents has made priority efforts to enhance the opportunity for students to enroll seamlessly in courses between institutions within the Montana University System. Distance education courses at UM have been developed as self support courses. Moving these courses to state support will support the goals of the Board, enhance learning opportunities for students, and enable students to use financial aid resources with online coursework.

**I. Order of work**

An inventory of UMOnline, Wintersession and Extended Courses/Degrees courses was conducted. After initial examination, it was determined that many of these courses would go to state support status, but not all. Courses not for credit or toward a degree, or “sponsored” programs, will continue to be considered self support.

1. Extensive discussions occurred between The Office of Planning, Budgeting and Analysis (OPBA) and CE, and between OPBA and deans and department chairpersons who have strong involvement with the different areas of self support. There was general support for changes to state support. Changes are seen as:
   - productive toward streamlining the academic planning process
   - reducing competition with ourselves
   - improving reporting
   - effectively staying current with changing demands and pedagogical methods.

2. There is strong consensus that changes must be campus-wide and consistent across units.
3. Conversations have continued between OPBA and Pam Joehler (OCHE) regarding anticipated changes to the Current Services budget submitted for FY07.

4. A full logistical team was assembled from across Business Services, Enrollment Services, Financial Aid, Continuing Education, CIS, Registrar’s office and more to begin conversion of UMOnline. A project time line was developed (integrating demands from the self support project with the existing demands within each office), department directors approved the time line, and work continues in the following areas:
   - catalog publication
   - student recruitment
   - development of designated and state budgets
   - changes in Banner – Finance and the Student modules
   - financial aid
   - marketing programs.

5. A new financial model was developed. It:
   - identifies revenue streams and expenses under both the current structure and after conversion
   - accounts for the essential areas of cost (regardless of self or State support structure)
   - shows before and after picture for CE and schools/colleges.

II. Special Considerations
In addition to the general framework identified above, particular attention was also needed in the particular areas of coursework identified for conversion.

UMOnline
1. As work began, it quickly became apparent that it was also essential to participate as fully as possible in the emerging MUS plans for collaborative online programs across the Montana University System, ensuring maximum transferability and ease of articulation. Conversations have been continuing between The Office of Planning, Budgeting and Analysis and Tom Gibson (OCHE director of eLearning Business Development) and MUS personnel currently involved in online education on the various campuses. This is being done in order to assure congruent expectations between OCHE and UM efforts.

2. There is general agreement/understanding of the need for change in funding online education at The University of Montana.
   “We need to move to the understanding that we are a university in many places, and we serve people in many places. . . We must get in front of technology, not try to just catch up.” (Dean Paul Rowland, UM School of Education. This sentiment shared by deans across campus in various conversations regarding the conversion process.)
3. The steering committee overseeing this project (as well as the executive officers) reached general agreement regarding the proposed pricing strategy for online work. Note, pricing for online coursework is treated in two different ways:

- Students who are enrolled on campus and participating in traditional campus experiences will be charged the same tuition and fees for online coursework as for traditional classroom work. The mode of delivery for classes will not affect the pricing, except that online courses will carry an Online Course Fee (OLF).
- Montana resident students who are “true” distance students (i.e., will not be on campus for courses or other activities) will pay resident tuition with only selected mandatory fees. Nonresident students who are “true” distance students will pay a modified rate (proposed to be similar to the WUE rate) with only selected mandatory fees. The distance students will not participate in on-campus courses and activities (see table below).

<table>
<thead>
<tr>
<th>Students Physically at UM</th>
<th>Students at distance from UM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Resident</td>
<td>Distance Resident</td>
</tr>
<tr>
<td>Non Resident</td>
<td>Distance Nonresident</td>
</tr>
<tr>
<td>On-site class:</td>
<td>On-site class:</td>
</tr>
<tr>
<td>Resident tuition plus</td>
<td>Nonresident tuition plus</td>
</tr>
<tr>
<td>mandatory fees</td>
<td>mandatory fees</td>
</tr>
<tr>
<td>plus online fee</td>
<td></td>
</tr>
<tr>
<td>Online:</td>
<td>Online:</td>
</tr>
<tr>
<td>Resident tuition plus</td>
<td>Nonresident tuition plus</td>
</tr>
<tr>
<td>mandatory fees plus</td>
<td>mandatory fees plus</td>
</tr>
<tr>
<td>online fees</td>
<td>online fees</td>
</tr>
<tr>
<td>New, distance rate</td>
<td></td>
</tr>
<tr>
<td>plus selected* mandatory</td>
<td></td>
</tr>
<tr>
<td>fees plus online fees</td>
<td></td>
</tr>
</tbody>
</table>

Mandatory fees to include: computer, equipment and registration fees.

Note: Bill Muse participated in a recent teleconference with other MUS distance education directors and was able to vet this strategy with other participants.

B. Wintersession

Wintersession classes are offered in January, between the fall and spring terms. In recent years it has been its own Continuing Education term, instructors were paid extra-to-load, and tuition was a flat rate for both residents and non-residents. The same criteria will be applied to these courses to determine whether they should be state rather than self support: any course that can be taken for academic credit toward a degree will be considered as “state support.”

Wintersession courses will be counted as part of the spring semester.

- FTEs will all be counted in the official enrollment
- Increases in revenue from resident and nonresident tuition will be minimal because coursework will fall into the spring “flat spot”.


• Wintersession courses offered as state support will allow students to use financial aid/waivers toward tuition costs.

C. Additional considerations
The cohorts currently involved in the Extended Degree programs will be “grandfathered” in the programs in which they are currently working. All students who matriculate in the programs after January 1, 2007 will enter state support coursework.
Date: September 14, 2006
To: Commissioner Sheila Stearns
From: Bruce Marks
RE: Recommended policy changes
MUS Honor Scholarship

The MUS Honor Scholarship is entering its 4th year as a renewable waiver of tuition. When this year’s senior high school class graduate and enter college in the fall of 2007, there will be in excess of 1,000 MUS students receiving waivers of tuition. These numbers equate to some disturbing trends: Approximately one out of every 37 Montana high school graduates will receive a MUS Honor scholarship. Or, of the approximately 3,400 Montana students who enrolled in MUS during 2004-2005, one out of every 12 students received a MUS Honor Scholarship. This level of merit-based scholarship awards seems inconsistent with the Regent’s budget priorities and strategic plan that places a priority on affordability and need-based aid.

Additionally, at a national level, the financial aid awarding process has taken on a much more holistic approach with federal, state, and private aid being coordinated to provide students with a maximum benefit from scarce resources. For example, the new federal Academic Competitiveness Pell Grants only go to students with high need who have demonstrated a potential to succeed in college by taking a rigorous core in high school.

I suggest that the Board of Regents change the MUS Honor Scholarship policy to transform the scholarship into a program that 1) truly reflects meritorious performance; 2) eliminates confusion as to who receives the scholarship; and, 3) is awarded in such a way that maximizes state and federal financial aid. I believe we can accomplish each of these goals by making changes to Policy 501.1 and coordinating the awarding process with the Governor’s office and the Montana Legislature.

**Change the minimum standards**

We should consider a higher threshold for academic performance in order to receive the scholarship. A preliminary suggestion would be to require all scholarship recipients to have completed a rigorous core, have a GPA of at least 3.75, and obtain a minimum ACT (or comparable SAT) score of 30. The ACT/SAT threshold is at approximately the 97th percentile nationally. Based on historical data, these new standards will produce a qualifying pool of potential recipients of approximately 275 students per year. Historical results also tell us that less than half of those will attend a MUS school. This criteria would cut the number of scholarships approximately in half, to about 4% of resident MUS students. This level of scholarship award also puts the program more in line with the Board’s strategic and budget objectives while simultaneously raising the importance and profile of the rigorous core.
**Make the scholarship an entitlement**
If a student meets the minimum standard, he or she will receive a scholarship. This eliminates the competition of class ranking, the number of awards per high school, and the confusion about who the recipient will be.

**Coordinate State, Federal, and MUS aid**
Programs like the Governor’s Postsecondary Scholarship will still reach every high school in Montana. Montana Higher Education Grants (MHEG) and the Montana Tuition Assistance Program (MTAP) are the state’s premier need-based aid programs. Tuition waivers aren’t free; students who don’t get waivers pay for the waivers of fellow students through increased tuition. By limiting waivers, we cooperate with the State to control tuition increases. Pell grants and student loans complete the financial aid puzzle.

**Timeline for Implementation**
I recommend we target any significant changes to the scholarship to be effective for high school students who are currently sophomores. Initial discussions with the Governor’s office indicate that these changes appear appropriate and have been well received. Although some students won’t meet the new standard, the overall cost of an education will very likely be kept lower for all students while still rewarding those truly meritorious students.
CONCEPTUAL REVIEW - DRAFT

Submitted by Montana Tech of The University of Montana

Concept: Montana Tech seeks guidance in the process of acquisition of a donation of approximately 60 acres of land joining the west side of the North Campus. The parcel is a federal superfund site.

Explanation: Montana Tech desires to acquire by donation approximately 60 acres (a survey has not been done) west of its North Campus. The property is owned by ARCO Environmental Remediation L.L.C. (AERL) and is part of the West Side Soils Operable Unit, a Superfund Site. The west part of the Montana Tech Campus is also part of this operable unit. A small part of the AERL property has been included in the athletic practice field adjacent to the HPER Building for many years. The property may prove essential to future Montana Tech north campus expansion because of its location and other characteristics.

The campus concerns with the acquisition of this site are related to necessary environmental remediation of the site and potential liability for remediation and for environmental damage to neighbors and users. Although we believe this is not the first Superfund site to have been acquired by the Montana University System, other sites have been rejected by MUS campuses. Preliminary authorization is needed for Montana Tech to pursue this acquisition.

Montana Tech has done an environmental scan of this property using sampling methods approved by both the Environmental Protection Agency (EPA) and the Montana Department of Environmental Quality (MDEQ) with results that show only two small piles of dirt on the far west side of the site to contain levels of arsenic and lead that are slightly higher than the permitted residential levels. It is believed these piles of dirt can be removed or that part of the property can be removed from the donation. The majority of the environmental evaluation was done by the Montana Bureau of Mines and Geology, while a small part (approximately 2.3 acres) was evaluated by Pioneer Technical Services, Inc. Based on these evaluations, no environmental conditions (other than the two piles of dirt mentioned above) appear to
exist that would require remediation under current EPA or MDEQ standards.

Montana Tech proposes to work with the Montana Department of Environmental Quality and the Regional Office of the federal EPA to ensure that: (1) proper remediation is completed before acquisition; (2) Montana Tech becomes fully informed as to the environmental condition of the property; and (3) as an owner, the MUS does not unknowingly or otherwise assume an unreasonable risk of actual or potential future liability.

The process Montana Tech foresees includes environmental remediation, negotiation of a fair and appropriate legal agreement for the acquisition of the site, and consultation with appropriate state and federal experts in an attempt to ensure as clean a site and as risk-free an acquisition as is practicable. These steps are necessary, not only for the protection of the MUS from liability, but also for the health and safety of the students and staff who will study and work on the site.

**Discussion Needed:** Montana Tech needs guidance on the following questions: (1) Should Superfund property ever be acquired for campus uses; (2) If so, how much environmental review is required and possible before such an acquisition; (3) What should our expectations be of the donor in such cases; (4) By what measures should we balance the need of the campus for the property against the risk of some later tort claim; and (5) What additional steps or suggestions would assist in the protection of our campuses in such acquisitions. A discussion of these topics would assist all campuses and the Commissioner’s office in the review, approval and recommendation of such acquisitions.
UM-MISSOULA MASTER PLAN FOR SOUTH CAMPUS - CONCEPTUAL REVIEW

Submitted by The University of Montana-Missoula

Concept: The University has come to the conclusion that when additional facilities are to be built, they will need to be built on the South Campus land owned by the University.

Explanation: The University of Montana completed the Master Plan for the Mountain Campus in 2002. In that plan, five potential building sites were identified. Since 2002, the following buildings have been completed, are under construction, or are planned:
- Anderson Hall (Journalism)
- Skaggs Pharmacy Addition
- Interdisciplinary Science Building
- Law School Addition
- Native American Studies Building
- Gilkey Executive Education Building
- Forestry/DBS Research Facility
- Phyllis Washington Education Building
- Alumni Center Building
- UM Museum of Art & Culture Building

When the above projects are completed the Mountain Campus will have reached capacity in terms of space available for the construction of new buildings. This said, additional future facilities expansion may include:
- College of Forestry and Conservation/U.S. Forest Service joint use building
- Indoor athletic practice facility
- Student Housing
- Commercial & residential space

Discussion Needed: Given that the need to expand into the South Campus area is imminent, The University of Montana requests approval from the Board of Regents to draft a comprehensive, multi-use, Master Plan for the South Campus land area.
ITEM 132-2003-R0906  Authorization to Improve Recreation Area near the
Hedges/Roskie Residence Hall Complex; Montana State
University

THAT:
Consistent with the provisions of MCA 18-2-102, 2(b) the
Board of Regents of the Montana University System
authorizes MSU to improve the outdoor recreation area at
the Hedges/Roskie Residence Hall Complex. The estimated
cost for this project is $750,000.

EXPLANATION:
1. The Hedges/Roskie high-rise residence hall complex
houses over 1600 student residents throughout the
academic year.

2. The existing outdoor recreation facilities are obsolete and
deteriorated and require significant renovation to serve
the recreational needs of today’s student residents.

3. This project will renovate the outdoor recreation area and
associated residence hall service areas to accommodate
desired activities and provide ADA accessibility.

4. This project will be financed with non-state funds from
Auxiliary Operations Revenue (Renewal and
Replacement Budget) in excess of debt service
obligations.
Board of Regents Policy: Physical Plant B Section 1003.7

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

(a) Project Description:
This project encompasses the outdoor recreational area and Mandeville Creek located adjacent to the Hedges/Roskie residence hall complex. Renovation will include the existing loading dock to meet requirements of modern delivery vehicles and containerization/compaction of garbage. Designated pedestrian walks and crossing areas adjacent to the delivery area will improve the safety of students who cross the area multiple times in the course of each day. Outdoor recreation and group gatherings for special events in the streamside field area will enhance the community environment and complement the ongoing intellectual development of the student residents.

(b) Cost Estimate and Funding Sources:
- Estimated Cost
  - Design/Construction Admin $ 125,000
  - Construction $ 550,000
  - Contingency $ 75,000
  - Total Estimate $ 750,000

- Funding Source: This project will be financed with non-state funds from Auxiliary Operations Revenue (Renewal and Replacement Budget) in excess of debt service obligations.

(c) Program served, enrollment data, projected enrollment:
The Auxiliaries Services program provides housing, food services, sports facilities, other non-academic resources and facilities and accommodates events such as sports, music and other performances for students, staff, faculty and the public. (Enrollment data is not applicable to this authority request).

(d) Space Utilization Data:
Residence facilities occupancy rates are consistently above 90%. Other Auxiliaries Facilities are heavily utilized. Annual utilization factors will not be impacted by this renovation project.

(e) Projected use for available residual space:
(Not applicable to this project)

(f) Projected O&M Costs and proposed funding sources:
O&M costs for these facilities are born by the Auxiliaries enterprise (non-state funds) and are not expected to be significantly impacted by this project, since existing outdoor facilities are being improved.
ITEM 132-2005-R0906 Authorization to Expend Computer Fees: Montana State University-Bozeman

THAT: The Board of Regents of Higher Education hereby authorizes Montana State University-Bozeman to expend Student Computer Fee funds for the following projects. The total cost of purchases is $533,494.

EXPLANATION: In accordance with Board of Regents Computer Fee Policy 940.23, Expenditure of Computer Fees for projects in excess of $25,000 requires authorization by the Board of Regents. The proposed purchases include the following:

<table>
<thead>
<tr>
<th>College/Dept</th>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Student Labs</td>
<td>Hardware</td>
<td>$ 28,668</td>
</tr>
<tr>
<td>Electrical &amp; Computer Eng</td>
<td>Hardware</td>
<td>34,700</td>
</tr>
<tr>
<td>Mechanical Engineering</td>
<td>Hardware</td>
<td>30,670</td>
</tr>
<tr>
<td>Computer Science</td>
<td>Hardware</td>
<td>70,000</td>
</tr>
<tr>
<td>ITC Maint/Replacement Plan</td>
<td>Hardware/Software</td>
<td>303,156</td>
</tr>
<tr>
<td>Chemistry &amp; Biochemistry (Student Computer Lab)</td>
<td>Hardware</td>
<td>66,300</td>
</tr>
</tbody>
</table>

Total: $533,494

Allocations were based on unanimous recommendations by the Computer Allocation Committee. The Committee is comprised of faculty, students and administrators.
ITEM 132-2006-R0906 Authorization to Expend Equipment Fees; Montana State University-Bozeman

THAT: The Board of Regents of Higher Education hereby authorizes Montana State University-Bozeman to expend Student Equipment Fee funds for upgrading University equipment. Total cost of the equipment purchases is $656,978.

EXPLANATION: In accordance with Board of Regents Equipment Fee Policy 940.26, expenditure of Equipment Fees for projects in excess of $25,000 requires authorization by the Board of Regents. The proposed purchases include the following:

<table>
<thead>
<tr>
<th>College/Dept</th>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Res/Env. Sci.</td>
<td>GeoXH GPS receiver</td>
<td>$35,060</td>
</tr>
<tr>
<td>KUSM</td>
<td>Digital television camera system</td>
<td>26,000</td>
</tr>
<tr>
<td>Music</td>
<td>Smart podiums</td>
<td>30,000</td>
</tr>
<tr>
<td>BTC</td>
<td>BTC classroom equip. maintenance</td>
<td>38,000</td>
</tr>
<tr>
<td>Health/Human Devel.</td>
<td>Metabolic measuring system</td>
<td>39,800</td>
</tr>
<tr>
<td>Elect/Computer Eng</td>
<td>Optics lab equipment</td>
<td>42,500</td>
</tr>
<tr>
<td>ITC</td>
<td>Update/Maintain smart podiums</td>
<td>129,269</td>
</tr>
<tr>
<td>Chemistry/Biochem</td>
<td>Equipment for student chemistry labs</td>
<td>29,891</td>
</tr>
<tr>
<td>Math Sciences</td>
<td>Equipment for computer classrooms</td>
<td>29,935</td>
</tr>
<tr>
<td>Physics</td>
<td>Oscilloscopes for teaching labs</td>
<td>27,376</td>
</tr>
<tr>
<td>Chemistry/Biochem</td>
<td>Polarimeter &amp; rotary evaporator setups</td>
<td>31,547</td>
</tr>
<tr>
<td>Nursing</td>
<td>SimMan manikins/accessories</td>
<td>167,600</td>
</tr>
<tr>
<td>Registrar</td>
<td>Classroom equipment maintenance</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$656,978</strong></td>
</tr>
</tbody>
</table>

Allocations were based on unanimous recommendations by the Equipment Fee Allocation Committee. The committee is comprised of faculty, students and administrators.
ITEM 132-2853-R0906  Authorization to Expend Computer Fees; Montana State University-Great Falls College of Technology

THAT: Consistent with the provisions of Board of Regents Policy 940.23, the Board of Regents authorizes Montana State University-Great Falls College of Technology to expend Student Computer Fee funds for the projects outlined in the table below, not to exceed $140,650.

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

Computer Fee Allocation Projects  FY 07

<table>
<thead>
<tr>
<th>Project</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Employment</td>
<td>55,000</td>
</tr>
<tr>
<td>AutoCad</td>
<td>7,000</td>
</tr>
<tr>
<td>Contribute</td>
<td>2,500</td>
</tr>
<tr>
<td>SPSS</td>
<td>350</td>
</tr>
<tr>
<td>3M</td>
<td>3,000</td>
</tr>
<tr>
<td>NetSupport</td>
<td>2,000</td>
</tr>
<tr>
<td>Adobe CS2 w/mt</td>
<td>7,000</td>
</tr>
<tr>
<td>Breeze</td>
<td>36,000</td>
</tr>
<tr>
<td>Quickbooks</td>
<td>1,300</td>
</tr>
<tr>
<td>Class programs for Computers</td>
<td>20,500</td>
</tr>
<tr>
<td>CISCO</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>140,650</strong></td>
</tr>
</tbody>
</table>
ITEM 132-2854-R0906  Authorization to Expend Student Equipment Fees; Montana State University-Great Falls College of Technology

THAT: Consistent with the provisions of Board of Regents Policy 940.26, the Board of Regents authorizes Montana State University-Great Falls College of Technology to expend Student Equipment Fee funds to purchase computers, software, servers, and other networking equipment. The total of these purchases will not exceed $116,260. These purchases are needed to equip classrooms and labs in the Academic Support Center.

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

<table>
<thead>
<tr>
<th>Equipment Fee Purchases</th>
<th>FY 07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment for labs</td>
<td>25,000</td>
</tr>
<tr>
<td>HP printers</td>
<td>8,510</td>
</tr>
<tr>
<td>Media Manager</td>
<td>9,500</td>
</tr>
<tr>
<td>Smartboards</td>
<td>5,250</td>
</tr>
<tr>
<td>Art equipment</td>
<td>5,000</td>
</tr>
<tr>
<td>Classroom Digital Projectors</td>
<td>7,000</td>
</tr>
<tr>
<td>Interactive Symposiums</td>
<td>18,000</td>
</tr>
<tr>
<td>Multi-Media Speaker Systems</td>
<td>1,000</td>
</tr>
<tr>
<td>Cabling, Power Supplies &amp; Kits</td>
<td>1,000</td>
</tr>
<tr>
<td>Computers</td>
<td>30,000</td>
</tr>
<tr>
<td>NetLab</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>116,260</strong></td>
</tr>
</tbody>
</table>
ITEM 132-1001-R0906  Authorization to discontinue work on the previously authorized OCHE/MGSLP office building project and release Series J bond proceeds for alternative use by The University of Montana-Missoula; The University of Montana-Missoula.

THAT:  The Board of Regents of the Montana University System authorizes the Commissioner to discontinue planning for the construction of an office building to house the Office of the Commissioner of Higher Education and releases the bond proceeds set aside for this project for use by The University of Montana Missoula.

EXPLANATION:  In July 2005, (ITEM: 128-1004-R0705) at the request of the Commissioner of Higher Education, The University of Montana sold $5.75 million in Series J revenue bonds to fund the construction of an office building to house the staff of OCHE and MGSLP. Subsequent to the sale, due to circumstances beyond their control, the underlying ability of MGSLP to pay debt service on the bonds deteriorated to the point where continuing with the project was not possible. Several options for the alternative use of the proceeds, to include partial defeasance of the Series J bond issue, were explored. The University concluded that, with an average fixed interest rate of 4.15%, it is in the best interest of the University to retain the proceeds to fund the construction and renovation of several academic projects on the Missoula campus.
ITEM 132-1503-R0906  

Authorization to Replace HPER Building Gymnasium Hardwood Floor; Montana Tech of The University of Montana.

THAT:  
Consistent with the provisions of MCA 18-2-102, the Board of Regents of the Montana University System authorizes Montana Tech of The University of Montana to replace the gymnasium hardwood floor and other related repairs in the HPER Building at an estimated amount of $250,000. The project will be financed with unrestricted funds transferred to the Plant Fund. This will use part of the spending authority designated for All Campuses of the University of Montana.

EXPLANATION:  
The HPER Building is a two-story, brick veneer building constructed in 1980. This building houses the indoor athletic and recreational facilities of the campus. The hardwood gymnasium floor is approximately 20 years old. The floor has lost its resilience and according to student athletes who use the floor it has a number of “dead spots” that hurt the legs. Power and communication cables under the floor will also be replaced.
ITEM 132-1901-R0906  Authorization to Execute Purchase of Property; The University of Montana – Helena College of Technology

THAT:
The Montana Board of Regents of Higher Education authorizes The University of Montana – Helena College of Technology, following appropriate reviews and approvals, to execute the purchase of property within the previously approved acquisition zone adjacent to The UM-Helena College of Technology campus.

EXPLANATION:

1. Board of Regents ITEM 105-1901-R1199 approved in January 2000 established an acquisition zone comprising the city block immediately east of the UM-Helena Donaldson building located at 1115 North Roberts Street in Helena, Montana. ITEM 105-1901-R1199 authorized UM-Helena to purchase property for up to $115,000.

2. Daryl and Valerie Van Oort own the property at 1534 Townsend Street, which is located within the acquisition zone. The Van Oorts have offered that property to UM-Helena for the amount of $151,900.

3. UM-Helena contracted to have two appraisals conducted on the property. The first appraisal was completed July 18, 2006, and valued the property at $160,000. The second appraisal was completed August 30, 2006, and valued the property at $155,000.

4. UM-Helena has the funding available within existing plant funds to pay the full purchase price of $151,900.

5. This project requires authorization of the Board of Regents for the purchase. Final purchase will be executed by UM-Helena upon the review and approval by Montana University System Legal Counsel, the President of The University of Montana, and the Commissioner of Higher Education.

ATTACHMENTS:  Copy of appraisals
Plat of property
ITEM 132-1902-R0906  Authorization to Expend Student Equipment Fees; The University of Montana – Helena College of Technology

THAT: The Montana Board of Regents of Higher Education authorizes, in accordance with Montana University System Policy 940.26, the expenditure of up to $95,000 of collected student equipment fees for the purchase of automotive diagnostic equipment for instructional use at the college.

EXPLANATION: The plan calls for the purchase of an automotive dynamometer, alignment system, vehicle lift, tire changer and wheel balancer. The requested equipment was bid out as two functional units. The first unit is an automotive dynamometer with a bid price of $24,890. The other unit is the alignment, lift, tire changer and wheel balancer combination with a bid price of $69,374.

ATTACHMENTS: Equipment purchase justification.
UM-Helena Proposed Purchases from Equipment Fees

**Dynamometer**
UM-Helena would like to purchase a chassis dynamometer for the Automotive Technology program from our current equipment fees account. The purchase of the dynamometer will allow students to use more diagnostic testing equipment, current technology in the industry and maintain their NATEF certification.

In the Automotive Technology program there is currently a compatibility problem with diagnostic testing equipment and the vehicles used in the program. Current diagnostic testing equipment in the automotive industry requires a vehicle to be running and in motion to collect the appropriate data for troubleshooting. In the UM-Helena program most vehicles used for testing and training are donated vehicles from Ford and Chrysler. According to the agreement with those manufacturers the donated vehicles are not allowed to be licensed or driven on public roads. Because of this agreement it is difficult if not impossible to collect the necessary data for training on those vehicles. The chassis dynamometer will allow cars to be run and load tested in the shop in a safe learning environment.

UM-Helena also is working towards purchasing current equipment to outfit the new automotive shop slated for completion in March 2007.

**Automotive Equipment**
UM-Helena would like to purchase numerous items for the Automotive Technology program from our current equipment fees account. The purchase of two lifts, a tire balancer, alignment rack and tire changer would allow the program to replace antiquated equipment, work on current automobiles and meet the programs requirements for NATEF certification.

Lifts-Currently the Automotive Technology program has four lifts which are all older style lifts. These lifts are incapable of handling the weight and dimensions of newer model trucks and SUVs. In addition to being incompatible with newer vehicles the Automotive program will lose one lift during the March move to their new facility. It will not be cost-effective, or logical, to move and reinstall the one in-floor lift at our current facility.

Alignment Rack-Our current alignment rack system is an older system which is incapable of working with newer style vehicles. In addition to not being able to handle the newer vehicles the old system does not have the newer technological components being used in industry. The purchase of the alignment rack would give students a more applicable and relevant learning experience.

Tire Changer-Our current tire changer is an older style system which is only capable of working with steel rim wheels. This does not allow the program to work with any of the current types of wheels such as alloy.

Tire Balancer-Our current wheel balancer is an older style system which has a large amount of wear from years of student use. It also does not contain the modern technology being used in industry.

All of the proposed purchases are also part of an effort to outfit the new automotive shop slated for completion in March 2007.