

## **BUDGET AND AUDIT OVERSIGHT COMMITTEE MEETING**

(Committee Members: Chair Regent Mark Semmens, Regent John Mercer, and Regent Lila Taylor)

**Ballroom A – Strand Union Building**  
**Wednesday, November 16, 2005**  
**10:00 – 11:45 a.m.**  
**2:30 – 4:30 p.m.**

Note: *The Board of Regents may take action on any item on the committee agendas.*  
(Public Comment is welcome during all meetings)

- a. Report from the Associate Commissioner for Fiscal Affairs – Robinson (pg. 313)
  1. Audit Reports
  2. Athletic Report (Action Item) (Pg. 315)
  3. Fall Enrollment Numbers and HB 2 Reversion Calculations (pg. 401)
  4. MSU-N Deficit Update (pg. 407)
  5. ITEM 129-102-R1105 – Approval of proposed Governor’s Postsecondary Scholarship Program Policies (pg. 409)
- b. ITEM 128-2702-R0905 - Authorization to Execute Purchase of Property; Montana State University-Billings (pg. 419)
- c. ITEM 129-2005-R1105 – Authorization to Renovate Portions of Cooley Lab; MSU-Bozeman (pg. 423)
- d. ITEM 129-2007-R1105 - Authorization to Renovate Portions of the Physical Plant’s Shop/Office Buildings; MSU-Bozeman (pg. 425)
- e. ITEM 129-2008-R1105 - Authorization to Negotiate a Site Lease Agreement with the USDA; MSU-Bozeman (pg. 427)
- f. ITEM 129-2801-R1105 - Authorization to Establish a Mandatory Lewistown Building Fee; MSU-Northern (pg. 429)
- g. ITEM 129-1602-R1105 - Grant of Easement to the City of Dillon for operation and maintenance of an existing sewer line and to create a public right-of-way providing access to persons whose properties front on Vigilante Drive on the north side of Vigilante Park; The University of Montana-Western.  
Grant of easement for emergency ingress and egress for two lots owned by National Affordable Housing Network (NAHN) to permit filing and amended subdivision plat.
- h. Biennial Budget Process Review – Update - Joehler
- i. Allocation Model Review – Update – Robinson/Duringer/Roloff
- j. Review of MSU Student presentation entitled “Funding Issues at MSU Bozeman – An Introduction” OCHE Response - Robinson
- k. Information Item: Review federal relations activities in the university system (Dan Dwyer – UM, and Tom McCoy – MSU)
- l. Budget Initiative Proposals
- m. Public Comment



**MONTANA UNIVERSITY SYSTEM**  
**Office of the Commissioner of Higher Education**

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**TO:** Members of the Budget and Audit Oversight Committee  
**FROM:** Mick Robinson  
**DATE:** November 1, 2005  
**SUBJECT:** Report from the Associate Commissioner for Fiscal Affairs

Beginning with the November 2005 Board of Regents meeting, I am proposing, as an agenda item for the Budget and Audit Oversight Committee meeting, a short report from the Associate Commissioner for Fiscal Affairs. My intent is to include within the report all items, of a non-controversial nature, that can be dealt with in an expeditious manner. Consultation with the Chair of the Committee will take place prior to finalizing the report.

I would anticipate making a very few comments regarding each item. These items will have been reviewed thoroughly by OCHE staff and recommended for adoption by the Board, if such an action is necessary. Obviously, Board members are free to ask questions and/or ask for further comment, if they so desire.

**Report of the Associate Commissioner for Fiscal Affairs – November 16, 2005**

1. Audit Reports received:
  - University Procard Use 15P-02 (Performance Audit) – one recommendation
  - University of Montana 05-12 (Financial-Related) – two recommendations
  - Montana State University 05-13 (Financial-Related) – one recommendation
2. Montana University System – Athletic Reports – Action Item: Move the Athletic Reports to the January Board of Regents meeting in future years.
3. Fall Enrollment Numbers, Estimated Revenue Shortfalls & Estimated General Fund Reversion
4. Deficit Reduction Report – MSUN
5. Governor's Scholarship Program – ITEM 129-102-R1105 – Approval of the proposed Governor's Postsecondary Scholarship Program Policies

I would appreciate your feedback regarding the inclusion and exclusion of items. I in no way want to hinder discussion, but rather save the limited time of the committee members for more appropriate discussion items.

**Montana University System  
FY06 Enrollment and Tuition Revenue Projections**

<b>ENROLLMENTS</b>			
	<b>FY06 BUDGETED</b>	<b>FY06 CURRENT PROJECTION</b>	<b>FY06 OVER (UNDER)</b>
<b>UNIVERSITY OF MONTANA:</b>			
<b>Missoula</b>			
Resident	8,329.00	7,971.39	(357.61)
WUE	509.00	591.56	82.56
Nonresident	2,532.00	2,486.73	(45.27)
<b>Total</b>	<b>11,370.00</b>	<b>11,049.68</b>	<b>(320.32)</b>
<b>Missoula COT</b>			
Resident	886.00	951.78	65.78
WUE	5.00	3.83	(1.17)
Nonresident	40.00	49.24	9.24
<b>Total</b>	<b>931.00</b>	<b>1,004.85</b>	<b>73.85</b>
<b>Montana Tech</b>			
Resident	1,496.00	1,402.47	(93.53)
WUE	124.00	122.48	(1.52)
Nonresident	144.00	157.74	13.74
<b>Total</b>	<b>1,764.00</b>	<b>1,682.69</b>	<b>(81.31)</b>
<b>Montana Tech COT</b>			
Resident	275.00	299.66	24.66
WUE	10.00	6.92	(3.08)
Nonresident	9.00	8.52	(0.48)
<b>Total</b>	<b>294.00</b>	<b>315.10</b>	<b>21.10</b>
<b>Western</b>			
Resident	871.00	911.14	40.14
WUE	125.00	131.38	6.38
Nonresident	50.00	41.95	(8.05)
<b>Total</b>	<b>1,046.00</b>	<b>1,084.47</b>	<b>38.47</b>
<b>Helena COT</b>			
Resident	730.00	714.06	(15.94)
WUE	5.00	6.42	1.42
Nonresident	7.00	3.50	(3.50)
<b>Total</b>	<b>742.00</b>	<b>723.98</b>	<b>(18.02)</b>
<b>Total UM</b>			
Resident	12,587.00	12,250.50	(336.50)
WUE	778.00	862.59	84.59
Nonresident	2,782.00	2,747.68	(34.32)
<b>Total</b>	<b>16,147.00</b>	<b>15,860.77</b>	<b>(286.23)</b>

<b>REVENUES</b>			
	<b>FY06 BUDGETED</b>	<b>FY06 CURRENT PROJECTION</b>	<b>FY06 OVER (UNDER)</b>
<b>UNIVERSITY OF MONTANA:</b>			
<b>Missoula (Includes COT)</b>			
Registration	892,167	890,142	(2,025)
Resident	35,066,496	33,894,677	(1,171,819)
Nonresident and WUE	35,444,093	35,276,520	(167,573)
Utility Surcharge	108,413	103,610	(4,803)
<b>Total</b>	<b>71,511,169</b>	<b>70,164,949</b>	<b>(1,346,220)</b>
<b>Montana Tech (Includes COT)</b>			
Registration	\$152,432	\$144,297	(8,135)
Resident	6,991,847	6,481,347	(510,500)
Nonresident and WUE	2,438,468	2,508,524	70,056
Utility Surcharge			0
<b>Total</b>	<b>9,582,747</b>	<b>9,134,168</b>	<b>(448,579)</b>
<b>Western</b>			
Registration	\$80,000	\$80,990	990
Resident	2,744,168	2,868,217	124,049
Nonresident and WUE	1,118,669	1,020,379	(98,290)
Utility Surcharge	11,780	6,393	(5,387)
<b>Total</b>	<b>3,954,617</b>	<b>3,975,979</b>	<b>21,362</b>
<b>Helena COT</b>			
Registration	\$76,873	\$63,710	(13,163)
Resident	1,563,485	1,690,009	126,524
Nonresident and WUE	58,936	61,628	2,692
Utility Surcharge	5,477	4,434	(1,043)
<b>Total</b>	<b>1,704,771</b>	<b>1,819,781</b>	<b>115,010</b>
<b>Total UM</b>			
Registration	1,201,472	1,179,139	(22,333)
Resident	46,365,996	44,934,250	(1,431,746)
Nonresident and WUE	39,060,166	38,867,051	(193,115)
Utility Surcharge	125,670	114,437	(11,233)
<b>Total</b>	<b>86,753,304</b>	<b>85,094,877</b>	<b>(1,658,427)</b>

**Montana University System  
FY06 Enrollment and Tuition Revenue Projections**

<b>ENROLLMENTS</b>			
	<b>FY06 BUDGETED</b>	<b>FY06 CURRENT PROJECTION</b>	<b>FY06 OVER (UNDER)</b>
<b>MONTANA STATE UNIVERSITY:</b>			
<b>Bozeman</b>			
Resident	8,047.00	8,147.84	100.84
WUE	379.00	421.92	42.92
Nonresident	2,174.00	2,123.45	(50.55)
<b>Total</b>	<b>10,600.00</b>	<b>10,693.21</b>	<b>93.21</b>
<b>Billings</b>			
Resident	3,198.00	3,213.01	15.01
WUE	191.00	227.70	36.70
Nonresident	118.00	119.73	1.73
<b>Total</b>	<b>3,507.00</b>	<b>3,560.44</b>	<b>53.44</b>
<b>Billings COT</b>			
Resident	656.00	616.09	(39.91)
WUE	18.00	26.07	8.07
Nonresident	12.00	7.15	(4.85)
<b>Total</b>	<b>686.00</b>	<b>649.31</b>	<b>(36.69)</b>
<b>Northern</b>			
Resident	1,200.00	1,148.19	(51.81)
WUE	80.00	68.67	(11.33)
Nonresident	71.00	48.10	(22.90)
<b>Total</b>	<b>1,351.00</b>	<b>1,264.96</b>	<b>(86.04)</b>
<b>Great Falls COT</b>			
Resident	1,254.00	1,207.74	(46.26)
WUE		0.60	0.60
Nonresident	16.00	42.69	26.69
<b>Total</b>	<b>1,270.00</b>	<b>1,251.03</b>	<b>(18.97)</b>
<b>Total MSU</b>			
Resident	14,355.00	14,332.87	(22.13)
WUE	668.00	744.96	76.96
Nonresident	2,391.00	2,341.12	(49.88)
<b>Total</b>	<b>17,414.00</b>	<b>17,418.95</b>	<b>4.95</b>

<b>REVENUES</b>			
	<b>FY06 BUDGETED</b>	<b>FY06 CURRENT PROJECTION</b>	<b>FY06 OVER (UNDER)</b>
<b>MONTANA STATE UNIVERSITY:</b>			
<b>Bozeman</b>			
Registration	740,260	740,260	0
Resident	35,895,839	35,895,839	0
Nonresident and WUE	32,573,520	32,573,520	0
Utility Surcharge	214,708	212,107	(2,601)
<b>Total</b>	<b>69,424,327</b>	<b>69,421,726</b>	<b>(2,601)</b>
<b>Billings (Includes COT)</b>			
Registration	335,857	337,446	1,589
Resident	14,831,636	14,585,982	(245,654)
Nonresident and WUE	2,390,792	2,637,832	247,040
Utility Surcharge			0
<b>Total</b>	<b>17,558,285</b>	<b>17,561,260</b>	<b>2,975</b>
<b>Billings COT</b>			
Registration			
Resident			
Nonresident and WUE			
Utility Surcharge			
<b>Total</b>			
<b>Northern</b>			
Registration	111,000	102,500	(8,500)
Resident	4,164,243	4,198,285	34,042
Nonresident and WUE	834,057	677,825	(156,232)
Utility Surcharge	36,906	32,062	(4,844)
<b>Total</b>	<b>5,146,206</b>	<b>5,010,672</b>	<b>(135,534)</b>
<b>Great Falls COT</b>			
Registration	112,000	112,000	0
Resident	3,570,019	3,570,019	0
Nonresident and WUE	150,000	150,000	0
Utility Surcharge			0
<b>Total</b>	<b>3,832,019</b>	<b>3,832,019</b>	<b>0</b>
<b>Total MSU</b>			
Registration	1,187,117	1,180,206	(6,911)
Resident	54,891,718	54,680,106	(211,612)
Nonresident and WUE	35,798,369	35,889,177	90,808
Utility Surcharge	251,614	244,169	(7,445)
<b>Total</b>	<b>92,128,818</b>	<b>91,993,658</b>	<b>(135,160)</b>

**Montana University System  
FY06 Enrollment and Tuition Revenue Projections**

<b>ENROLLMENTS</b>			
TOTAL MUS	FY06 BUDGETED	FY06 CURRENT PROJECTION	FY06 OVER (UNDER)
Resident	26,942.00	26,583.37	(358.63)
WUE	1,446.00	1,607.55	161.55
Nonresident	5,173.00	5,088.80	(84.20)
<b>Total</b>	<b>33,561.00</b>	<b>33,279.72</b>	<b>(281.28)</b>

<b>REVENUES</b>			
TOTAL MUS	FY06 BUDGETED	FY06 CURRENT PROJECTION	FY06 OVER (UNDER)
Registration	2,388,589	2,359,345	(29,244)
Resident	101,257,714	99,614,356	(1,643,358)
Nonresident and WUE	74,858,535	74,756,228	(102,307)
Utility Surcharge	377,284	358,606	(18,678)
<b>Total</b>	<b>178,882,122</b>	<b>177,088,535</b>	<b>(1,793,587)</b>

<b>RESIDENT ENROLLMENTS</b>			
	FY06 BUDGETED	FY06 CURRENT PROJECTION	FY06 OVER (UNDER)
<b>Community Colleges</b>			
<b>Dawson</b>			
Resident	515.00	435.78	(79.22)
<b>Flathead Valley</b>			
Resident	1,550.00	1,403.18	(146.82)
<b>Miles</b>			
Resident	566.00	447.08	(118.92)
<b>Total Community Colleges</b>			
Resident	2,631.00	2,286.04	(344.96)

**HB 2 REVERSION CALCULATIONS  
FISCAL YEAR 2006**

**MONTANA UNIVERSITY SYSTEM**

<b>FY</b>		<b>RESIDENT STUDENT FTE</b>	<b>HB 2 BUDGETED</b>	<b>DIFFERENCE</b>	<b>REVERSION \$ PER FTE</b>	<b>ESTIMATED REVERSION</b>
2003	Actual	26,226				
2004	Actual	26,828				
2005	Actual	26,321				
3-YR	Average	26,458	26,918	(460)		
2006	FY06 PROJ AS OF 10/05	26,583	26,918	(335)		
					\$ 1,888	\$ (632,480)

**COMMUNITY COLLEGES**

<b>FY</b>		<b>RESIDENT STUDENT FTE</b>	<b>HB 2 BUDGETED</b>	<b>DIFFERENCE</b>	<b>REVERSION \$ PER FTE</b>	<b>ESTIMATED REVERSION</b>
2003	Actual	2,198				
2004	Actual	2,486				
2005	Actual	2,362				
3-YR	Average	2,349	2,631	(282)		
2006	FY06 PROJ AS OF 10/05	2,286	2,631	(345)		
					\$ 2,758	\$ (777,756)

November 1, 2005

**TO:** Mick Robinson, Associate Commissioner  
**FROM:** Chuck Jensen, Vice Chancellor  
**RE:** MSU Northern -- Update on our General Fund Deficit Reduction Plan

The reduction plan for our General Fund Deficit remains the same as was presented at the September board meeting in Billings -- the \$300,000 deficit is to be reduced by \$150,000 a year in both FY06 and FY07. In establishing our FY06 budget, \$300,000 in revenue was left unallocated. Of this \$300,000, \$150,000 was designated for deficit reduction and the remaining \$150,000 to serve as a revenue under-collection reserve.

Based upon summer and fall enrollments and revenues collected, our revised revenue estimate for FY06 is approximately \$124,000 less than originally projected. As mentioned above, our budget has built into it a \$150,000 reserve for revenue under-collections.

Budget Summary:

Unallocated Revenue in FY06 Budget	\$300,000
Designated for General Fund Deficit Reduction	(\$150,000)
Projected Shortfall in Revenue Collections	<u>(\$124,000)</u>
Unallocated Revenue Reserve Remaining	\$ 26,000

For personal services and operating expenditures, 1<sup>st</sup> quarter personal services review indicates we are within budget and operating budgets are holding. While operating budgets are holding as of now, we continue to be mindful of two areas that could be problematic. First, while we have prepared for increase utility costs, a severe winter season could drive up utility costs past what we have anticipated. Second, there is always the potential to be hit with unanticipated expenses in areas such as repair, maintenance and retirement and termination payout costs.

The campus will continue to aggressively monitor budgets to ensure we are being as efficient with our resources as we can be. The campus is also assessing and planning for the impact reductions in FTE will cause both in reversion and reduction of general fund in FY06 and FY07 respectively, and the reduction in tuition collections.

November 16-18, 2005

ITEM 129-102-R1105

**Selection and Disbursement Policies for the Governor's Postsecondary Scholarship Program**

**THAT:**

The Board of Regents of Higher Education, upon consultation with the Governor's Advisory Council, shall approve selection and disbursement policies for the Governor's Postsecondary Scholarship Program.

**EXPLANATION:**

HB 435 in the 2005 Legislature created the Governor's Postsecondary Scholarship Program. Statute directs the Board of Regents, working with the 3-person Advisory Council, to develop policies for the implementation, awarding, and disbursing of scholarships. Working with the Montana Guaranteed Student Loan Program, the Council is recommending a policy that divides the program into 3 areas: Merit, At-large Merit, and Need-based scholarships. The top-achieving, qualifying student from each of Montana's accredited high schools would receive a merit scholarship. Students hoping for an at-large scholarship will apply to the MGSLP. Need based scholarships will be determined by financial aid offices at qualifying schools with the number of scholarships available based upon an FTE formula.

# MONTANA GUARANTEED STUDENT LOAN PROGRAM

## ITEM 129-102-R1105

### Policy: Governor's Postsecondary Scholarship Program

Effective \_\_\_\_\_; \_\_\_\_\_

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#### I. Background:

The Governor's Postsecondary Scholarship Program was created by Sections 20-26-601 through 20-26-613 MCA. A Governor's Scholarship Advisory Council was appointed by the Governor to assist the Board of Regents of Higher Education in awarding and administering the scholarship program. The Commissioner of Higher Education, under the authority of the Board and in consultation with the Council, shall administer the Governor's Postsecondary Scholarship Program. The Montana Guaranteed Student Loan Program (MGSLP) will facilitate this program on behalf of the Office of the Commissioner of Higher Education.

The purpose of establishing the Governor's Postsecondary Scholarship Program is to provide Montana residents with greater access to Montana's postsecondary institutions and Montana's private colleges, through scholarships based on academic achievement and financial need, with a goal of alleviating student debt burdens, which will allow more Montanans to stay in the state upon graduation.

#### II. Board Policy:

The Board of Regents, on the recommendation of the Governor's Scholarship Advisory Council, hereby adopts the following policy for the implementation of the Governor's Postsecondary Scholarship Program and for the awarding of scholarships pursuant to that program.

#### III. Eligibility:

- A. A student is eligible to receive a Governor's Postsecondary Scholarship providing the student:
1. Has been accepted by an eligible Montana postsecondary institution for full time enrollment.
  2. Has completed the Free Application for Federal Student Aid (FAFSA).
  3. Does not have an expected family contribution (EFC) exceeding the cost of attendance at the postsecondary institution the student will attend.
  4. Has not been awarded a Montana University System Honor Scholarship.
  5. If a male, has met the Title IV selective services registration requirements.
  6. Is not in default on a Title IV or state of Montana education loan.
  7. Does not owe a refund to a federal Title IV or state of Montana student financial aid program.
  8. Is a resident of the state of Montana.
  9. Is not incarcerated.
  10. Is an entering freshman at a qualifying Montana postsecondary institution seeking a first certificate, associate, or baccalaureate degree.

#### IV. Categories of Scholarships:

- A. The Governor's Postsecondary Scholarship is made up of 3 categories of scholarships: merit-based awards to graduating high school seniors, merit-based awards available to at-large applicants, and need-based awards.
  1. Merit-based awards to graduating high school seniors: MGSLP will award Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on merit in accordance with Section 20-26-612 (2)(b) and (c). One scholarship may be awarded to one graduate of each of Montana's accredited high schools, including accredited nonpublic high schools, to a student attending a qualifying 4-year postsecondary institution and one scholarship may be awarded to one graduate of each of Montana's accredited high schools, including accredited nonpublic high schools, to a student attending a qualifying 2-year postsecondary institution.
  2. Merit-based awards available to at-large applicants: MGSLP will award forty (40) Governor's Postsecondary Scholarships annually in the amount of \$2,000 each, based on merit in accordance with Section 20-26-612 (2) (a) and seventy (70) Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on merit in accordance with Section 20-26-612 (2) (d).
  3. Need-based awards: MGSLP will award Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on financial need in accordance with Sections 20-26-612 (2) (e), (f), and (g).

#### V. Eligible Institutions:

- A. Recipients of a scholarship under Sections 20-26-612 (2)(a) or (b) may utilize the award at any of the following eligible postsecondary institutions:
  1. **Category a**: a campus of the Montana University System, as defined in Section 20-25-201, whose participation agreement with the US Department of Education allows for the offering of a Bachelors Degree or a Montana tribal college whose participation agreement with the US Department of Education allows for the offering of a Bachelors Degree;  
  
If donations to the Governor's Postsecondary Scholarship Program from private sources are designated for a private college, defined as a nonprofit private educational institution in Section 15-30-163(3)(b), the scholarship may be used at the designated Montana private college, subject to the same restrictions, eligibility and renewal requirements as those for recipients attending the postsecondary institutions listed above. Private colleges are eligible to participate in the Governor's Postsecondary Scholarship Program only to the extent donations are designated expressly for that private college.
- B. Recipients of a scholarship under Sections 20-26-612 (2)(c) or (d) or (e) or (f) or (g) may utilize the award at any of the following eligible postsecondary institutions:
  1. **Category b**: a Montana community college, defined and organized as provided in Section 20-15-101; or
  2. **Category c**: an institution of the Montana University System, as defined in Section 20-25-201 that offers a two year associate degree or certificate program;
  3. **Category d**: a two-year, accredited tribal community college located in the state of Montana or a four-year accredited tribal college located in the state of Montana that offers a two year associate degree or certificate program.

## VI. Renewal of Scholarships:

- A. The Governor's Scholarship is renewable annually provided the student meets the following conditions:
1. A recipient who is awarded a merit-based scholarship to attend a 2-year postsecondary program is eligible to receive the scholarship for a maximum of 2 consecutive years provided the recipient meets all applicable requirements of **III. Eligibility**, and has earned a cumulative 2.5 GPA at the postsecondary institution and completes a minimum of 30 semester hours after one year.
  2. A recipient who is awarded a merit-based scholarship to attend a 4-year postsecondary institution is eligible to receive the scholarship for a maximum of 4 consecutive years, provided the recipient meets all applicable requirements of **III. Eligibility**, and maintains a cumulative 2.5 GPA at the end of the school term in which the student completes a minimum of 30 semester hours after one year, 60 semester hours after two years, and 90 semester hours after three years.
  3. A recipient who is awarded a need-based scholarship to attend a 2-year postsecondary program is eligible to receive the scholarship for a maximum of 2 consecutive years provided the recipient meets all applicable requirements of **III. Eligibility**, and has completed all first year requirements for a certificate or associate degree, including satisfactory academic progress.

## VII. Transferability:

This scholarship is transferable between eligible campuses upon notification by the student, provided continued eligibility requirements have been met. In such case the student's initial scholarship eligibility period will remain the same (e.g. a two-year scholarship may only be transferred to another qualifying two-year program and a four-year scholarship may only be transferred to another qualifying four-year program).

## VIII. Appeals:

Students may appeal termination of their awards to the Commissioner of Higher Education. The Commissioner's decision is final.

## IX. Procedures:

- A. Merit-based awards to graduating high school seniors.
1. Recipients will be selected based upon a listing of class rank provided by the high school principal or designee. The high school principal, or designee, must certify to the MGSLP, acting on behalf of the Commissioner of Higher Education, that the prospective recipient is a graduate of a Montana high school accredited by the state Board of Public Education and is a US citizen and resident of Montana for in-state tuition under the board's policy. The high school principal, or designee, will provide a list to the MGSLP of the school's highest-ranking students (the highest one-fourth of the graduating class with a minimum grade point average of 3.00), and who have met the admission requirements of the respective postsecondary institutions the students plan to attend. The student ranked the highest in scholarship in the graduating class desiring to attend an eligible postsecondary institution will have the first choice of attending a two or four-year school. If a four-year school is chosen, a scholarship to a two-year school will be offered to the next student meeting those eligibility requirements. If the highest ranked student chooses a two-year school, a four-year scholarship will be offered to the next student meeting those eligibility requirements.

2. A high school student who fails to complete a FAFSA or gain acceptance into a Montana postsecondary institution by March 31<sup>st</sup> of the award year will not be considered for a Governor's Postsecondary Scholarship.
3. If it is determined that a student is ineligible for the scholarship, based on any of the circumstances listed in **III: Eligibility**, the student and high school counselor will receive written notification, and another recipient will be selected.
4. If the recipient of a Governor's Postsecondary 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 high school principal or designee may certify the next ranking eligible member of the same graduating class, but such person will be subject to the same restrictions as the original holder of the scholarship.
5. If there is a tie between top ranking students, the principal, or designee, shall use the following process to break the tie:
  - a. If the GPA for the students is exactly the same, the results of the students' ACT composite test score taken before December 31st of the previous calendar year will be used.
  - b. If the students did not take the ACT test, the results of the SAT test taken before December 31st of the previous calendar year will be used.
  - c. If one student took the ACT and the other the SAT, a comparability chart will be used, with the highest test score based on the comparability chart prevailing.
  - d. If the test scores are the same, the number of honors classes the students have completed will be used, with the student scoring the highest points in GPA and numbers of honors classes prevailing.
6. A recipient must utilize the scholarship within 9 months after high school graduation.
7. The computation of actual grade point averages shall be as of the end of the 6th semester of high school or, in the case of a student graduating in three years, at the end of the 4th semester of high school. To remain eligible the student must maintain a 3.00 or higher GPA through the 7th semester (the 5th semester in the case of a student graduating early).
8. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

B. Merit-based awards available to at-large applicants.

1. **Eligible high school students must apply for the scholarship.** To be eligible to receive an at-large scholarship, the student must apply to and be accepted by one of the eligible postsecondary institutions identified above and complete the Free Application for Federal Student Aid (FAFSA). The student must also submit a completed scholarship application to the MGSLP, acting on behalf of the Commissioner of Higher Education, not later than March 31st of the award year. Any eligible student who does not submit the required scholarship application by the application deadline will not be considered for an at-large scholarship.
2. In consultation with the Governor's Postsecondary Advisory Council, the MGSLP will forward to eligible postsecondary institutions ranked lists of potential recipients. Potential recipients will be identified based upon some or all of the following criteria:
  - a. The applicant's high school grade point average
  - b. The applicant's coursework
  - c. The applicant's ACT or SAT results
  - d. The applicant's extra-curricular activity
  - e. The applicant's community service or volunteer work
  - f. The applicant's financial need
  - g. The impact or difference a scholarship would make for the applicant's college attendance
  - h. The quality of any additional required documents attached to the application
  - i. References, when required

3. Postsecondary institutions, upon receipt of the ranked lists, will check the applicant for enrolled status and financial need. Postsecondary institutions are responsible for making the scholarship offer based upon the rankings provided and will report to the MGSLP accepted awards.
4. A recipient must utilize the scholarship within 9 months of the award date.
5. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

C. Need-based awards:

1. After consultation with the Council, the MGSLP, acting on behalf of the Commissioner of Higher Education, will allocate need-based awards each year to eligible postsecondary institutions based upon the most recent full time equivalent enrollment information available to the MGSLP for students enrolled in two-year certificate or associate programs.
2. Each eligible postsecondary institution will receive a minimum of five (5) need-based scholarships, regardless of the actual FTE calculation.
3. The MGSLP will advise each postsecondary institution of the specific number of general, health science, and technology scholarships it must award.
4. The financial aid office at each postsecondary institution shall be solely responsible for identifying and awarding scholarships to need-based recipients. No standard criteria will be used for selecting candidates other than the primary consideration of financial need. Because many students have expected family contributions of zero, institutions may use the following guidelines for identifying need-based recipients:
  - a. The ability of the recipient to benefit from the scholarship
  - b. The past academic performance of the recipient
  - c. The status of the student, specifically a first generation or non-traditional college student.
  - d. The impact a scholarship would have on a recipient's debt-load, need to work while attending college, or ability to remain in the state of Montana after graduation.
5. Recipients must utilize the scholarship within 9 months of the award date.
6. Postsecondary institutions will report to MGSLP not later than October 31<sup>st</sup> of each year the recipients and their courses of study for need-based scholarships.
7. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

X. **Authorization to Distribute Funds:**

- A. Funds from a scholarship must be used towards payment of tuition and mandatory fees, excluding room and board, rounded up to the nearest dollar, and may not be used to pay for remedial or college-preparatory course work. Following consultation with the Governor's Postsecondary Scholarship Advisory Council and selection of eligible recipients, the MGSLP, on behalf of the Commissioner of Higher Education, is authorized to pay the costs of a Governor's Postsecondary scholarship at a eligible postsecondary institution at which a recipient has enrolled. Additionally:
  1. The recipient of a Governor's Postsecondary scholarship award is not precluded from receiving other financial aid, awards, or scholarships that would result in an overpayment of financial aid as determined by the postsecondary institution's financial aid office.
  2. Each Governor's Postsecondary scholarship will be distributed directly to the postsecondary institution in equal installments at the beginning of each semester/quarter that correspond with the terms of the postsecondary institution's academic year, for payment of the recipient's tuition and mandatory fees.

3. If a Montana high school has no graduates who qualify for a scholarship awarded under Sections 20-26-602 (2)(b) or (c) or if a recipient of a scholarship becomes ineligible for renewal of a scholarship, the money for those scholarships reverts and may be reallocated by the MGSLP to scholarships for at-large students, as described in Sections 20-26-612 (2) (a) and (d).
4. Except when otherwise designated, per Section 20-26-612 (8), scholarship awards are determined solely in accordance with this policy and are not subject to appeal.
5. Except for funds donated from private sources, the obligation for funding the governor's postsecondary scholarship program is an obligation of the State. The Board is not required to provide a scholarship to an eligible student without a line item appropriation to the Board for this purpose.
6. If the line item appropriation is insufficient to fully fund the Governor's Postsecondary Scholarship Program, recipients seeking renewal of their scholarships will have priority for available funds.
7. If the line item appropriation is insufficient to fully fund the Governor's Postsecondary Scholarship Program, the number of scholarships will be reduced, but individual scholarship amounts will remain unchanged (i.e. the award amount will remain \$1,000 or \$2,000 depending upon the type of scholarship received).
8. A Governor's Scholarship Recipient who is called to active military duty does not lose his or her eligibility or right to renew the scholarship by that reason, provided he or she returns to school within nine months of discharge from active military duty.
9. Recipients of a Governor's Postsecondary Scholarship are limited to one Governor's Postsecondary Scholarship (i.e. one merit, or one need-based, or one at-large scholarship).

History:

## **ITEM 129-102-R1105**

**Date:** October 25, 2005  
**To:** Commissioner Stearns  
**From:** Bruce Marks  
**RE:** Proposed Governor's Postsecondary Scholarship Program Policy

The Governor's Postsecondary Scholarship Council, working with MGSLP, is requesting Board of Regent approval of the attached Governor's Postsecondary Scholarship policy. To aid in that approval process, I've prepared this memo to explain some of the more confusing aspects of the proposed policy.

The proposed policy is a balance between the legal requirements of the statute, input from the Governor's office, and the administrative limitations of MGSLP. It represents a collaborative effort between the Governor's office, the Office of Public Instruction, MGSLP, OCHE (specifically Cathy Swift) and the Council.

In this policy, the Board of Regents delegates authority to select scholarship recipients to MGSLP. After discussing timing issues and whether it was practical for the Board to review individual recipients prior to the actual awarding of scholarships, we concluded it best to have the Board delegate this authority to MGSLP. MGSLP will provide informational lists to the Board reporting the awards it has made each year.

The Governor's Postsecondary Scholarship Program (GPSP) is made up of 7 different types of scholarships that are based upon specific areas of study and the type of postsecondary institution the student will attend. The proposed policy divides these 7 types of scholarships into 3 categories: Merit-based awards to graduating high school seniors, merit-based awards available to at large applicants, and need-based awards. Different logic is used for each of these categories.

For merit-based awards to graduating high school seniors, we copy the philosophy we presently use to select MUS Honor Scholarship recipients. We work closely with each of Montana's accredited high schools to find the student with the highest GPA. The highest ranked student attending an MUS school receives the Honor Scholarship. Under this proposed policy, the next two highest ranking, eligible students will receive a four and two year Governor's scholarship, respectively.

Students hoping for an at-large merit scholarship must apply to MGSLP. Although there are only 110 at-large scholarships available, total applications could easily exceed 1,000 each year. At-large applications will create a significant workload issue for MGSLP, but we believe it's the most appropriate way to reach the home-schooled, non-traditional, and other low-income Montanans the scholarship was created to assist.

In order to award need-based scholarships, we need the help of our financial aid offices. To determine financial need, students complete the Free Application for Federal Student Aid (FAFSA). The results of the FAFSA are only shared with the postsecondary institutions the students have indicated they wish to attend (and in some cases, a central repository – but there is no central repository in Montana). The results of the FAFSA indicate Expected Family Contribution (EFC). Since we have to know EFC and the financial status of a student to meet the requirements of the statute, only a financial aid office can identify those students who would qualify for a need-based scholarship.

The policy allocates need-based scholarships as determined by the number of FTE students enrolled at each 2-year school, or in the case of a 4-year school, the number of students enrolled in 2-year programs. Each postsecondary institution is guaranteed a minimum of 5 need-based scholarships, per the direction of the Council.

The policy is fairly lengthy – due primarily to the amount of detail included in the original bill. We initially considered a separate policy for each of the three categories of scholarships, but disliked the repetition and combined length that three policies would have created.

September 21-23, 2005

ITEM 128-2702-R0905

**Authorization to Execute Purchase of Property; Montana State University-Billings**

**THAT:**

The Board of Regents of the Montana University System authorize Montana State University-Billings, following appropriate reviews and approvals, to execute the purchase of property immediately adjacent to the College of Technology (COT) campus contingent upon final appraisal.

**EXPLANATION:**

1. The COT resides in a 125,000 sf building on 20.03 acres which was transferred from the Yellowstone County School District # 2 (SD # 2) to the Montana University System in the mid-1980's along with the responsibility for postsecondary occupational education.
2. The 57<sup>th</sup> Legislative Assembly funded a Facility Planning Study which outlined a \$10M need for the COT Campus and identified two parcels of property for future expansion.
3. The U.S. Department of Housing and Urban Development (HUD) granted \$1M to renovate a portion of the COT (approved by the BOR # 116-2702-R0902). Other Federal appropriations given to the COT for enhancement of two year educations are: \$396,800 for the Healthcare Career Pathways Program, \$745,575 for Process Plant Operator Training; \$438,398 for the Healthcare Degree and Certificate Program, and \$695,450 for the Computer Technology Program.
4. The 59<sup>th</sup> Legislative Assembly appropriated the remaining \$9M to meet the infrastructure needs of the COT.
5. The two adjacent parcels of property which were identified were 7.25 acres of SD # 2 property to the North (approved for acquisition by the BOR # 103-2702-R0599) and 6.14 acres of private property to the west.
6. The appraised value of the 6.14 acres is being established by a certified appraiser, engaged by MSU – Billings. The seller is requesting \$1,500,000 for the purchase of the property.

7. To purchase the 6.14 acres, MSU – Billings will seek an INTERCAP loan in the amount of \$1,000,000 and an internal loan of \$500,000.
8. This project requires authorization of the Board of Regents, both for the purchase itself and for the INTERCAP loan. Final purchase and loan document(s) will be executed by MSU-Billings upon the review and approval by MSU and MUS Legal Counsel, the President of MSU, and the Commissioner of Higher Education.

**ATTACHMENTS:**

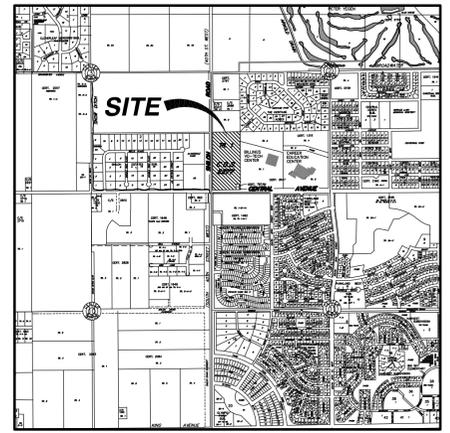
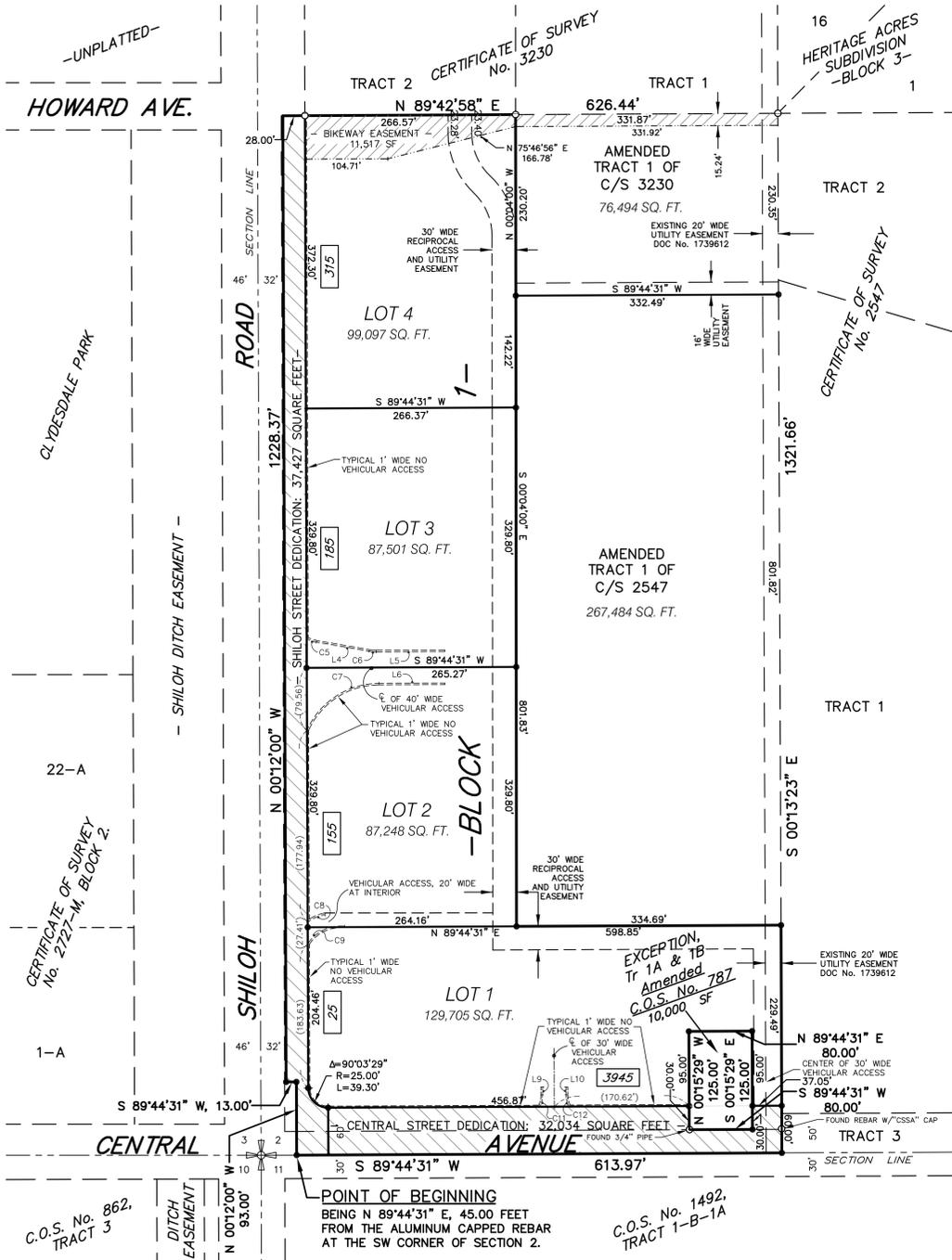
Plat of property  
Copy of appraisal [to be submitted at Board Meeting]  
Copy of financing and repayment plan

# PLAT OF SHILOH CORNER SUBDIVISION

BEING TRACT 1, CERTIFICATE OF SURVEY No. 2277  
 LOCATED IN THE SW1/4 OF SECTION 2, T. 1 S., R. 25 E., P.M.M.  
 YELLOWSTONE COUNTY, MONTANA

PREPARED FOR: KEYSTONE, INC.  
 PREPARED BY: ENGINEERING, INC.  
 SCALE: 1" = 100'

SEPTEMBER 2004  
 BILLINGS, MONTANA



VICINITY MAP  
 NOT TO SCALE

**LINE DATA FOR EASEMENTS:**

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	S 80°07'06" E	15.59'	L6	N 89°44'40" E	83.71'
L2	N 89°44'31" E	170.68'	L7	S 84°35'53" E	75.25'
L3	N 89°44'31" E	175.11'	L8	S 00°15'29" E	3.88'
L4	N 80°07'06" W	67.85'	L9	S 00°15'29" E	10.00'
L5	N 89°44'40" E	89.98'	L10	S 00°15'29" E	10.00'

**CURVE DATA FOR EASEMENTS:**

CURVE	DELTA	RADIUS	LENGTH	CHORD BEARING	CHORD LENGTH
C1	19°05'48"	40.00'	13.33'	S 70°34'12" E	13.27'
C2	10°08'22"	40.00'	7.08'	S 85°11'18" E	7.07'
C3	89°48'31"	15.00'	23.51'	N 44°50'16" E	21.18'
C4	90°11'29"	15.00'	23.61'	N 45°09'44" W	21.25'
C5	19°05'14"	40.00'	13.33'	S 70°34'29" E	13.26'
C6	10°08'14"	50.00'	8.85'	S 85°11'13" E	8.83'
C7	66°09'03"	100.00'	115.45'	N 56°40'09" E	109.15'
C8	27°45'57"	49.50'	23.99'	N 66°22'39" E	23.75'
C9	61°53'36"	50.00'	54.01'	N 64°23'56" E	51.42'
C10	84°20'25"	25.00'	36.80'	S 42°25'41" E	33.57'
C11	25°22'35"	35.00'	15.50'	N 12°25'49" E	15.38'
C12	25°22'34"	35.00'	15.50'	N 12°56'46" W	15.38'

**BASIS OF BEARINGS:**

CERTIFICATE OF SURVEY No. 2277.

o = FOUND SURVEY MONUMENT, AS NOTED.

• = SET 5/8"x18" REBAR WITH CAP MARKED WITH THE LICENSE NUMBER OF THE UNDERSIGNED LAND SURVEYOR AND "ENGINEERING INC BILLINGS MT".

1234 = TYPICAL STREET ADDRESS

**CERTIFICATE OF DEDICATION:**

STATE OF MONTANA )  
 ) :ss  
 County of Yellowstone )

KNOW ALL MEN BY THESE PRESENTS: That Hines Motor Supply, Inc.; the owner of the following described tract of land, does hereby certify that he has caused to be surveyed, subdivided and platted into lots, blocks and streets as shown on the annexed plat, said tract being situated in the SW1/4 of Section 2, T. 1 S., R. 25 E., P.M.M., Yellowstone County, Montana, said tract being more particularly described as follows, to-wit:

Beginning at a point which is situated N 89°44'31" E a distance of 45.00 feet from the southwest corner of Section 2, T. 1 S., R. 25 E., P.M.M.; thence, N 00°12'00" W a distance of 93.00 feet; thence, S 89°44'31" W a distance of 13.00 feet; thence, N 00°12'00" W a distance of 1228.37 feet; thence, N 89°42'58" E a distance of 626.44 feet; thence, S 00°13'23" E a distance of 1321.66 feet; thence, S 88°44'31" W a distance of 613.97 feet to the point of beginning.

EXCEPTING THEREFROM Tracts 1A and 1B, Amended Certificate of Survey No. 787.

There is no park requirement for this non-residential subdivision pursuant to Section 76-3-621(3)(c), M.C.A.

The undersigned hereby grants unto all utility companies, as such are defined and established by Montana Law, and cable television companies, an easement for the location, maintenance, repair and removal of their lines over, under and across the areas designated on the plat as "UTILITY EASEMENT" to have and hold forever.

Said tract to be known and designated as SHILOH CORNER SUBDIVISION, and the lands included in all streets, avenues and roads as shown on annexed plat are hereby granted and denoted to the use of the public forever.

SHILOH PROPERTIES LLC

By \_\_\_\_\_  
 Gary H. Hines, \_\_\_\_\_

STATE OF MONTANA )  
 ) :ss  
 County of Yellowstone )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me the undersigned Notary Public for the State of Montana, personally appeared Gary H. Hines, known to me to be the person who signed the foregoing instrument as \_\_\_\_\_ of Shiloh Properties LLC, and acknowledged to me that said corporation executed the same. Witness my hand and seal the day and year herein above written.

Notary Public in and for the State of Montana  
 Printed Name \_\_\_\_\_  
 Residing at \_\_\_\_\_  
 My commission expires \_\_\_\_\_

**CERTIFICATE OF SURVEYOR:**

STATE OF MONTANA )  
 ) :ss  
 County of Yellowstone )

The undersigned, a Montana Registered Land Surveyor being first duly sworn, deposes and says that during the month of September, 2004, a survey was performed under his supervision of a tract of land to be known as SHILOH CORNER SUBDIVISION, in accordance with the request of the owners thereof and in conformance with the Montana Subdivision and Platting Act; said subdivision, description of boundaries and dimensions being in accordance with the Certificate of Dedication and as shown on the annexed plat; that the monuments found and set are of the character and occupy the positions shown thereon and that the gross area is 816,991 square feet and net area is 747,529 square feet.

ENGINEERING, INC.

By \_\_\_\_\_  
 Montana Registration No. \_\_\_\_\_

Subscribed and sworn to before me, a Notary Public in and for the State of Montana, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Notary Public in and for the State of Montana  
 Printed Name \_\_\_\_\_  
 Residing at Billings, Montana  
 My commission expires \_\_\_\_\_

**CERTIFICATE OF APPROVAL BY CITY ENGINEER'S OFFICE:**

STATE OF MONTANA )  
 ) :ss  
 County of Yellowstone )

I hereby certify that the annexed and foregoing plat conforms with Section 76-4-125(2)(a), M.C.A., for the removal of sanitary restrictions since the plat is inside a master planning area and the lots will be provided with municipal facilities for the supply of water and the disposal of sewage and solid waste.

IN WITNESS WHEREOF, I have executed this CERTIFICATE OF APPROVAL this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

City Engineer's Office

**NOTICE OF PLANNING BOARD APPROVAL:**

STATE OF MONTANA )  
 ) :ss  
 County of Yellowstone )

This plat has been approved for filing by the Yellowstone County Board of Planning and conforms to the recommendations of this board.

Date \_\_\_\_\_  
 \_\_\_\_\_  
 President

Executive Secretary

**ERRORS AND OMISSIONS REVIEW:**

I hereby certify that I have examined the annexed plat for errors and omissions in calculations and drafting on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Examining Land Surveyor

**CERTIFICATE OF COUNTY TREASURER:**

I hereby certify that all real property taxes and special assessments have been paid per 76-3-611(1)(b), M.C.A.

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 Yellowstone County Treasurer  
 By: \_\_\_\_\_  
 Deputy

**SUBDIVISION IMPROVEMENT AGREEMENT:**

Document No. \_\_\_\_\_

**RECIPROCAL ACCESS EASEMENT:**

Document No. \_\_\_\_\_

**CONSENT TO PLATTING:**

Document No. \_\_\_\_\_

**CERTIFICATE OF CITY ATTORNEY:**

This document has been reviewed by the City Attorney's office and is acceptable as to form.

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

**CERTIFICATE OF CITY COUNCIL APPROVAL:**

STATE OF MONTANA )  
 ) :ss  
 County of Yellowstone )

We hereby certify that we have examined the annexed and foregoing PLAT OF SHILOH CORNER SUBDIVISION, and find that said plat conforms with the requirements of the laws of the State of Montana, and the requirements of The Yellowstone County Board of Planning. It is therefore approved and the dedication to public use of any and all lands shown on this plat as being dedicated to such use are accepted.

IN WITNESS WHEREOF, we have set our hands and the seal of the CITY OF BILLINGS, MONTANA, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF BILLINGS, MONTANA

By: \_\_\_\_\_  
 Mayor

Attest: \_\_\_\_\_  
 City Clerk

November 16-18, 2005

**ITEM 129-2005-R1105**      **Authorization to Renovate Portions of Cooley Lab;  
Montana State University-Bozeman**

**THAT:**                      Consistent with the provisions of MCA 18-2-102 2(c), the Board of Regents of Higher Education authorizes MSU to renovate portions of Cooley Lab to provide modern laboratory facilities to support research grant functions. The estimated cost for this project is \$5,000,000.

- EXPLANATION:**
1. Cooley Lab was constructed in 1960 and has had no major renovation work over the years. The building houses labs primarily assigned to the Microbiology Dept.
  2. The Microbiology Dept has received a grant from NIH to be used to renovate existing laboratories in Cooley Lab. Upgrading the laboratories will allow the faculty to conduct productive research at the highest level and also increase the ability to attract and retain the highest quality faculty and students.
  3. The integration of the instructional and research environments greatly enhances the academic experience for all students.
  4. This project will be financed with \$4,000,000 in NIH grant funds and \$1,000,000 in non-state Facilities and Administrative (F&A) funds recovered from externally funded grants and contracts.

This project requires the authorization of the Board of Regents and the consent of the Governor.

**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 renovation of the basement, and several upper floors (approx 13,500 gross square feet) to house microbiology research laboratories, lab support spaces and offices.

(b) Cost Estimate and Funding Sources:

X	Estimated Cost	
X	Design/Construction Admin	\$440,000
X	Construction	\$4,160,000
X	<u>Contingency</u>	<u>\$400,000</u>
X	Total Estimate	\$5,000,000

X Funding Source: This project will be financed with \$4,000,000 in NIH grant funds and \$1,000,000 in non-state Facilities and Administrative (F&A) funds recovered from externally funded grants and contracts.

(c) Program served, enrollment data, projected enrollment:

The occupants of the proposed facility will consist primarily of microbiology research programs; however the integration of the research and teaching enterprise is crucial to the success of MSU's undergraduate and graduate programs. Involvement in undergraduate research has been critical to the success of all of our Goldwater scholarship winners in the sciences. There are approximately 58 microbiology undergraduate majors, 50 medical lab sciences undergraduate majors, 10 environmental health undergraduate majors, and 9 biotechnology undergraduate majors, and over 25 graduate students. Students from all levels assist with funded research and interact closely with faculty conducting research. Grant and contract expenditures by the Microbiology Department were in excess of \$3 million, not including the INBRE expenditures of \$16.6 million distributed over 5 years. Cooley Lab includes space for genomics research and bioinformatics research and training, both of which are INBRE-supported, multi-user, multi-department activities.

(d) Space Utilization Data:

The ~13,500 gross SF renovation will include 76% assignable space, with ~90% of the assignable space consisting of lab and support spaces and ~10% offices.

(e) Projected use for available residual space:

All of the space anticipated to be renovated by this project is currently occupied and no residual space is expected.

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

The space to be renovated currently houses laboratory uses and the historic O&M costs are not expected to be significantly impacted by this project since the building is not being expanded; however, if marginal increases occur, they will be funded with non-state Facilities and Administrative (F&A) funds recovered from externally funded grants and contracts.

November 16-18, 2005

ITEM 129-2007-R1105

**Authorization to Renovate Portions of the Physical Plant's Shop/Office Buildings; Montana State University-Bozeman**

**THAT:**

Consistent with the provisions of MCA 18-2-102 (2) (b), the Board of Regents of Higher Education authorizes MSU-Bozeman to renovate portions of the Physical Plant's shop/office buildings to modernize spaces to meet current operational needs. The estimated cost for this project is \$425,000.

**EXPLANATION:**

1. The Office of Facilities Services (Physical Plant) is located in a small brick building constructed in 1950 accompanied by an eclectic accumulation of salvaged WWII quonset buildings and other cast-off shelters.
2. In 2002, the Regent's approved the purchase of a small modular facility to house our Work Control functions, which would free up space to begin modernizing some of our existing shop/office spaces. This request represents the last phase of this badly needed modernization effort and consists of moving the carpentry shop, locksmith shop, campus stores and some office spaces, within existing building spaces.

This project will be financed with revenue from Facilities Services non-state (designated) operations and will result in no new programs.

**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:

Work performed includes moving the carpentry shop, locksmith shop, campus stores and some office spaces, within existing building spaces.

(b) Cost Estimate and Funding Sources:

- Estimated Cost
  - Design/Construction Admin      \$20,000
  - Construction                              \$355,000
  - Contingency                              \$50,000
  - Total Estimate                              \$425,000
  
- Funding Source: This project will be financed with revenue from Facilities Services non-state (designated) operations and will result in no new programs.

(c) Program served, enrollment data, projected enrollment:

The programs directly served by this work are limited to Facilities Services internal operations. In a broader sense, the Office of Facilities Services (OFS) provides design, construction, maintenance, grounds, custodial, garbage removal, motor pool, and utilities services to the entire campus community, including academic, research and residence functions.

(d) Space Utilization Data:

OFS occupies and operates effectively out of some of the lowest quality space in existence on campus. Such extremely modest renovations are required periodically to accommodate upgraded shop equipment, building electrical system capacities, safety systems, etc. Space allocations among the various shops is very modest while utilization is very high. Space allocated for clerical/office functions is below campus average/standards with some accounting staff, architectural staff, computer/information systems staff, and project managers working in less than 35 SF of space per person.

(e) Projected use for available residual space:

(Not applicable to this project)

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

Current O&M costs for these existing spaces are funded by the state and O&M costs are not expected to increase as a result of this work.



November 17-18, 2005

ITEM 129-2801-R1105

**Authorization to Establish a Mandatory Lewistown Building Fee; Montana State University-Northern**

**THAT:**

The Board of Regents of Higher Education authorizes Montana State University – Northern (MSUN) to establish an additional mandatory **Lewistown Building Fee**.

This item is contingent upon successful conveyance of the BLM Lewistown Field Office, 80 Airport Road, Lewistown Montana.

Estimated effective date of the fee is beginning of Fall Semester 2006 at a maximum rate of \$70 per credit per semester.

For the FY08-09 budget discussions, MSUN will bring forth a budget item requesting general fund to cover the O & M for this building. The Lewistown building fee will be reduced accordingly for any general fund received.

**EXPLANATION:**

MSUN estimates O & M expenses for the conveyed BLM facility to be approximately \$159,000 per year. This includes utilities, custodial, phone, data connections, maintenance, and insurance expenses. All current instructional costs (faculty, support staff and supply expense) incurred in Lewistown are covered by current tuition and fees paid by Lewistown students.

The Lewistown Building Fee is estimated to generate \$136,500 at the maximum fee requested. The remaining O&M costs will be funded by current unrestricted funds.

Discussions have been held with both student government leadership and Lewistown students.

November 16-18, 2005

ITEM 129-1602-R1105

**Grant of Easement to the City of Dillon for operation and maintenance of an existing sewer line and to create a public right-of-way providing access to persons whose properties front on Vigilante Drive on the north side of Vigilante Park; The University of Montana-Western.**

**Grant of easement for emergency ingress and egress for two lots owned by National Affordable Housing Network (NAHN) to permit filing and amended subdivision plat.**

**THAT:**

Pursuant to Montana University System Policy 1003.6, the Board of Regents of the Montana University System authorizes The University of Montana-Western to grant an easement (see attachments) to the City of Dillon for the purpose of permitting access to and from several residences fronting on Vigilante Drive, on the northern most part of the Vigilante Park athletic field at Dillon, Montana, Beaverhead County and to NAHN.

**EXPLANATION:**

In approximately 1951, the City of Dillon sold property which is now described as Vigilante Park to Western Montana College for the sum of One Dollar (\$1.00). Included in this sale was property designated on the attached maps as Vigilante Drive. At that time no reservation of an easement for Vigilante Drive, for maintenance and operation of a long existing sewer trunk line, or power line was retained.

Vigilante Drive has been an existing unpaved street "most often described as an alley" and it has been in use for many years. There is an overhead power line on Vigilante Drive, there is an underground gas line, and the City of Dillon has a sewer line running through Vigilante Drive which has existed since prior to the time of conveyance to Western Montana College. In addition there are approximately seven (7) residences that are accessed solely from Vigilante Drive, five East of the barrier blocking the alley and two West of the barrier.

The lack of a documented reservation of alley access and right of way for the existing sewer was discovered when the National Affordable Housing Network (NAHN) applied for a subdivision plat creating four lots to construct four (4) homes on Lot 9 and Vine Street extended, of Thomsen's Adjacent

Addition to the City of Dillon. The NAHN property is illustrated on the attached map. In order to complete the subdivision of the two (2) lots into the four (4) home building sites a subdivision plat must be approved and filed. The Fire Department imposed a condition on plat approval that an emergency access be obtained onto Vigilante Drive. The property owned by the City of Dillon and the property owned by the National Affordable Housing Association meet at the southwestern corner of NAHN tract. The required easement would need to be 20 feet in width and extend to the eastern most side of the driveway through the NAHN property to Spruce Street west of the City property. The existing alley way is in excess of 20 feet in width from the northern chain link fence surrounding the UM-Western athletic field to the north side of the alley. If the emergency access is not granted for the NAHA property, the subdivision will be denied and the project will fail.

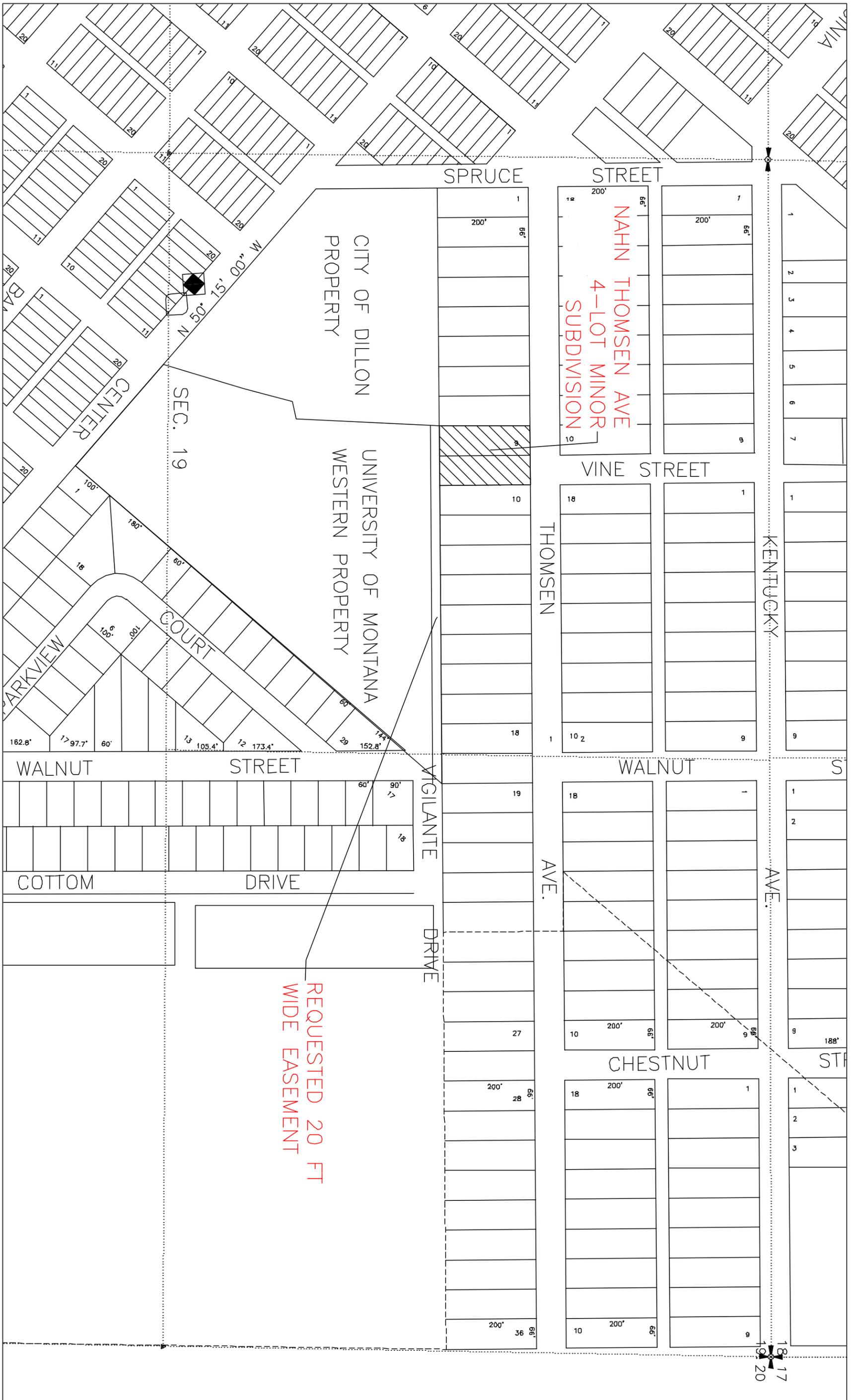
In addition the City of Dillon would request that a general easement for utility access installation, maintenance and operation be granted to the City to document its right to operate and maintain its previously existing sewer line. The City of Dillon would also request that a right-of-way for ingress and egress be granted to the City for the benefit of the seven property owners whose residences are accessed from Vigilante Drive. There is no other access available to the seven residences which are accessed solely from Vigilante Drive. There are other ownerships and occupancies at the other ends of the Lots which prevent access from these residences to Thomsen Avenue.

The University of Montana-Western wants to reserve the right to park on Vigilante Drive, and/or to restrict access to those portions of Vigilante Drive to control parking during events at the athletic field.

**ATTACHMENT:**

1. Proposed easement agreement
2. Map of the area, depicting the Thomsen Addition, Thomsen Adjacent Addition, and the entire UM-Western property.
3. National Affordable Housing Network's 4-lot minor subdivision layout, located north of the UM-Western property.

ITEM 129-1602-R1105 Attachment 1



BY	DATE	REVISION DESCRIPTION

DESIGN: \_\_\_\_\_  
 DRAWN: \_\_\_\_\_  
 CHECKED: \_\_\_\_\_

PROJ. NO.: \_\_\_\_\_  
 DATE: 11-8-05  
 SURVEYED: \_\_\_\_\_

**D&A, P.C.**  
 CONSULTING ENGINEERS & LAND SURVEYORS  
 3203 North Pearl Street, Suite 200, Bozeman, MT 59717-1200

U OF M WESTERN  
 REQUESTED EASEMENT

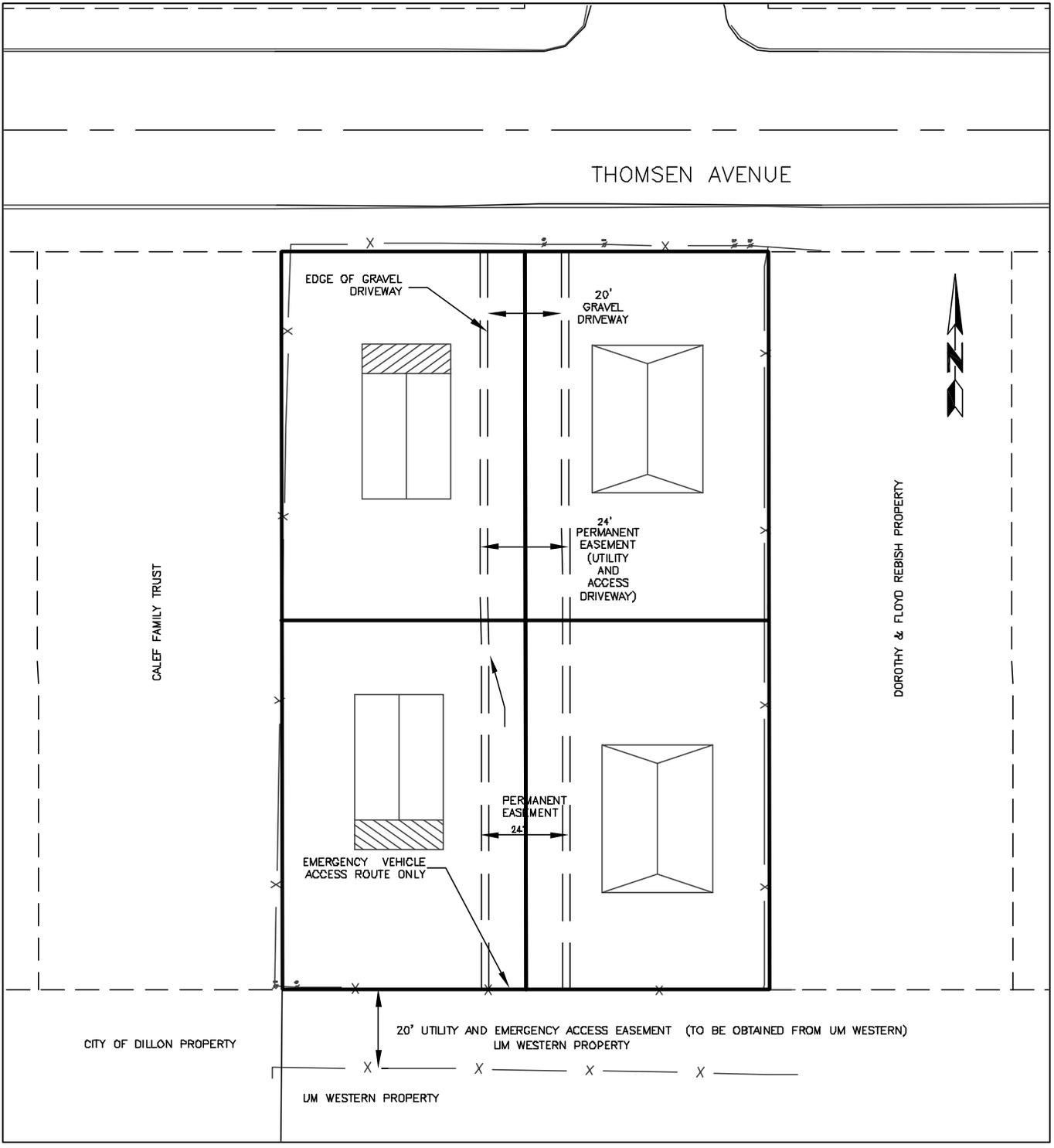
THOMSEN ADDITION AND  
 THOMSEN ADJACENT  
 CITY OF DILLON, MT

SHEET	1	OF	1
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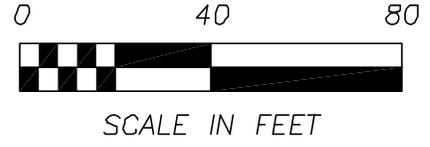
# EXHIBIT "A"

## THOMSEN AVENUE MINOR SUBDIVISION

### PROPOSED LOT & EASEMENT LAYOUT



**OCTOBER 10, 2005**



**ITEM 129-1602-R1105 Agreement**

DRAFT 11-2-05

**EASEMENT AGREEMENT**

THIS GRANT OF EASEMENT, made the \_\_\_\_ day of November, 2005, by The University of Montana-Western, Dillon, Montana, acting through the Board of Regents, hereinafter called the Grantor, and the City of Dillon, 125 North Idaho Street, Dillon, Montana, hereinafter called the City and the National Affordable Housing Network, hereafter NAHN of P.O. Box 3706, Butte, Montana, 59702, Grantees.

**WITNESSETH**

Grantor, for and in consideration of Ten Dollars (\$10.00), receipt of which is hereby acknowledged, and other good and valuable consideration including facilitation of University access to sewer and electrical utilities needed for athletic utilization of Vigilante Field, and or by affording a direct way for travel along the northern side of Vigilante Field, rather than the present use of the surrounding streets none of which is presently closer to the facility than several hundred feet, does hereby grant and convey to the City of Dillon, its successors and assigns, the following perpetual non-exclusive easement rights, over and under and along an existing road way described and identified as Vigilante Drive in Dillon, Montana.

- (a) a right-of-way to permit the City of Dillon to operate, maintain, replace and expand an existing sewer line buried in the street known as Vigilante Drive,
- (b) a right-of-way for access and egress to benefit the persons living on the south side of the lots of the Thomsen Avenue addition to afford them, their guests and invitees to their properties,

(c) an easement for a 10 foot wide bike path extending from the easement edge of the property to the point where Vigilante Drive meets the City of Dillon property.

The University also grants to National Affordable Housing Network and to its successor owners on Lots 9A, 9B, 9C and 9D, an emergency access and egress from the intersection of the driveway between Lots 9A and 9B and Lots 9C and 9D with Vigilante Drive, thence westerly to the intersection of Vigilante Drive with City of Dillon property.

The easement shall consist of a 20 foot wide easement extending along the northern most side of the Grantors property located in NW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, Section 19, Township 7 South, Range 8 West, M.P.M., Beaverhead County, Montana. The easement is shown and more particularly described on Exhibit A and attached hereto and incorporated herein by reference

This easement is granted subject to the following reservations by the Grantor:

1. The right for agents, employees of Grantor, and the general public to park on the southern most side of the easement, and the right for the Grantor or its agents to restrict access to the easement by the general public in order to control parking during events held at the University of Montana-Western athletic field.
2. The right to use the road for all purposes in such a manner deemed necessary or desirable by Grantor in connection with the protection, administration, management, operation and utilization of Grantor's adjoining property as will not interfere unreasonably with the City of Dillon's use of the road.

This grant of easement shall run with the land and shall be binding upon and inure to the benefit of the parties to this easement, their respective heirs, successors and assigns forever.

Neither the Grantees, nor their successors and assigns, by this grant, will acquire any interest in or to the land described above belonging to the Grantor save and except the rights of access, operation, and maintenance set out herein.

By the granting of this road easement, Grantor does not assume any liability or

