



MINUTES
Montana Board of Regents
Conference Call Meeting
March 31, 2010

The Board convened at 11:30 AM.

Roll call indicated a quorum present.

Regents Present: Clayton Christian, Vice Chair, Lynn Hamilton, Rob Barnosky, Janine Pease, Todd Buchanan and Angela McLean all by phone. Regent Stephen Barrett was excused. Commissioner of Higher Education Sheila Stearns, *ex officio*, was present in person, Governor Brian Schweitzer, *ex officio*, was represented by Dan Villa by phone, and Superintendent Denise Juneau, *ex officio*, was represented by Joyce Silverthorne.

Sites represented by phone were: Office of the Commissioner of Higher Education (OCHE), UM-Missoula, UM-Western, UM-MT Tech, UM-Helena COT, MSU-Bozeman, MSU-Billings, MSU-Northern, MSU-Great Falls COT, Flathead Valley Community College, Dawson Community College, Miles Community College, and the Office of the Governor.

Wednesday, March 31, 2010

Regent Clay Christian opened the meeting.

CONSENT

Staff Item: UM-Missoula ITEM 146-1000-C0310

President George Dennison said this person had tenure at her previous institution and has qualified for tenure at UM-Missoula.

Regent Christian moved approval of the UM staff item. Motion passed 6-0.

ACTION

- a. Approval of Initial Asset Transfer to College Savings Bank; OCHE
ITEM 146-114-C0310

Amy Berry, education saving analyst for the Montana Family Education Savings Plan (FESP), and Regent Todd Buchanan, member of the FESP Oversight Committee, explained this item approving the transfer of FESP client assets currently held by Pacific Life into the College Savings Bank savings account. The transfer is necessary as the plan is changing investment managers due to Pacific Life's decision not to continue as



an investment manager with FESP. The oversight committee explored choice options and in January of 2010, the Board approved Vanguard Group as a new investment manager. Regent Buchanan explained that the regents are at this time approving an initial transfer and that the transfer of all remaining Pacific Life accounts will occur over the next year. The exit date for Pacific Life is fall 2010, with completion of the transfers of all accounts by the end of the year.

Dan Villa, the governor's education policy advisor, reminded the board to make sure this is done in a way to allow the Department of Revenue to track the information for tax purposes. Regent Buchanan responded that it is the responsibility of College Savings Bank, FESP's contracted program manager, to make sure all deposits meet the requirements of the IRS so they are not taxable.

Regent Christian moved approval of item a. Motion approved 6-0.

b. Authorization to Renovate Cooley Lab; MSU-Bozeman ITEM 146-2001-C0310

President Waded Cruzado explained this item is to give authority to MSU-Bozeman to proceed with renovation of the Cooley Lab. She reminded the board that, as Deputy Commissioner Mick Robinson had told them at the March board meeting, MSU-Bozeman had applied for and may receive grant funding for the purpose or renovating Cooley Lab. MSU was chosen to receive funding from the federal government which will allow the campus to continue to serve the educational needs of the students and the community.

Craig Roloff, MSU Vice President of Administration and Finance, reminded the board that this is an old building, which is noteworthy because of the sophisticated research conducted in the building. The grant funding is sufficient to complete the entire building as well as address large amounts of deferred maintenance. He said MSU needs to provide an additional \$1.2 million which will be done by an INTERCAP loan to be repaid over a 5-year period. If the \$1.2 million is not spent, then it will not be drawn from the INTERCAP loan. This item requires approval of the governor in addition to the Board of Regents. Vice President Roloff told the board the project also includes site construction, preparation and utility lines.

Tom McCoy, MSU Vice President of Research, said this building has been focused on micro-biology and biology and will continue to focus on academic programs on genomics, research projects biologically related and biomedical activities.

Regent Angela McLean asked where the money will come from to repay the \$1.2 million loan. Mr. Roloff responded that the "other lawful purpose funds" is essentially a term for the distribution of funds from their pledged revenue accounts for related purposes other than paying debt services. He said MSU would not be using residence hall funds for this purpose, but rather have building R&R funds in the pledged revenues that would be appropriate to use toward this. Mr. Roloff added that this project will not exceed revenues.



MONTANA UNIVERSITY SYSTEM

Regent Buchanan requested information on the "other lawful purpose funds."

Regent Christian moved approval of item b. Motion passed 6-0.

The meeting recessed at 12:00 PM for the purpose of executive session.

Executive Session

- Honorary Degree; UM-Missoula
- Personnel Issue

The meeting adjourned at 12:25 PM.

Posted on

Approved by the Board of Regents on

Date

Date

Sheila M. Stearns
Commissioner of Higher Education
and Secretary to the Board of Regents

Stephen Barrett
Chair, Board of Regents