



Montana Board of Regents

Conference Call Meeting

March 30, 2012

9:30 AM

Roll call indicated a quorum present.

Regents Present:, Angela McLean, Chair, Todd Buchanan, Vice Chair, Major Robinson, Paul Tuss, Pat Williams, and Jeff Krauss, all by phone. Commissioner of Higher Education Clayton Christian, *ex officio*, participated by phone. Regent Joe Thiel, Governor Brian Schweitzer, *ex officio*, and Superintendent Denise Juneau *ex officio* were excused.

Sites represented by phone were: Office of the Commissioner of Higher Education (OCHE), MSU-Bozeman, MSU-Billings, MSU-Northern, UM-Missoula, UM-Western, the Office of the Governor, and members of the press.

Approval of March 1-2, 2012 Meeting Minutes

Regent Major Robinson moved approval of the March 1-2, 2012 meeting minutes with the following amendment: On page 11, Compensation Focus Group Update, insert the following wording: "The Compensation Focus Group met January 15, 2012 in Bozeman at the Museum of the Rockies to discuss participant responses to the four questions. It was decided that Regent Major Robinson and Associate Commissioner Kevin McRae will work together to document the discussions. The Staff and Compensation Committee will consider future Compensation Focus Group discussion and action."

Motion passed 6-0.

CONSENT

- a. Motorcycle Advisory Board; OCHE *ITEM 154-101-C0312*
- b. Amendment to New Stadium Lights Project; UM-Missoula *ITEM 154-1001-C0312*
- c. SpectrUM Lease Approval; UM-Missoula *ITEM 154-1003-C0312*
- d. Amendment to Energy Performance Contract; MSU-Bozeman *ITEM 154-2001-C0312*

Regent Paul Tuss moved items a, b, & d. Motion passed 6-0.

Item C, SpectrUM Lease Approval, was pulled from the consent agenda by Regent Robinson for the purpose of discussion. He noted that the lease conditions seemed appropriate, and questioned whether UM would continue to operate the science center. President Royce Engstrom clarified that UM has operated the program on campus for several years and will continue to do so in the new location, noting it has been a popular program with community and school children and was funded at the beginning by the EPSCoR grant, but that UM has now secured an additional grant to assist with this program as well. President Engstrom explained that UM wants to expand the



footprint of the science center to allow more opportunities with young people and to locate the facility in a more public setting. The option they are requesting approval to locate SpectrUM in downtown Missoula, will provide tremendous visibility and awareness to the public, and draw downtown participants. He noted this option will also support economic development in downtown Missoula. President Engstrom clarified that the intent is to charge a minimal fee for general admittance and that the fee structure for groups of school children to have access to the facility would be very minimal. This would promote science education to students. He noted that if they find at a later date that the fee is prohibitive to students, they will make adjustments at that time.

Regent Williams asked if it was possible to use a portion of the grant funding to fund the lease costs. President Engstrom noted that UM included the lease cost in the grant proposal and, therefore, have full authority to use the grant funds for the lease of the 4,000 square foot facility.

Regent Robinson moved approval of item c. Motion passed 6-0.

ACTION

- a. Series L (Taxable and Tax Exempt) Refunding Revenue Bonds; UM-Missoula
ITEM 154-1002-C0312

Rosi Keller, UM Associate Vice President for Administration and Finance, noted that UM looks at outstanding bonds on a regular basis to determine if there are any benefits to refinancing the current debt. Approval of this item would give the campus the flexibility to refinance the bond debt if that would be financially advantageous to the campus. Ms. Keller noted that refinancing at this time would result in substantial financial savings. In response to a question from Regent Krauss, she noted that a campus committee determines how to use any savings, which may include buying down debt or for maintenance of the buildings that bonds funded.

Regent Tuss moved approval of ITEM 154-10020C0312. Motion passed 6-0.

- b. Revised Operating Budgets FY2012; MSU-Bozeman *ITEM 154-2002-C0312*

Terry Leist, MSU-Bozeman Vice President of Administration and Finance, explained this item requests a revision of the previous budget authority as well as additional spending authority due to enrollment and tuition projections that exceeded expectations. These funds would be used for additional class sections and classroom renovations.

Regent Jeff Krauss moved approval of ITEM 154-2002-C0312. Motion passed 6-0.

INFORMATION



System Initiative: Smart Building Initiative | Resolution

Commissioner Clayton Christian noted the work the board has done on system initiatives for the Montana University System (MUS). He explained this effort began with former Regent Stephen Barrett requesting that the MUS do more of the efficiency measures in facilities throughout the system using system resources and expertise instead of through hired outside consultants. As a result, a group of students brought this initiative forward, which envisions collaborative work across multiple programs and courses throughout the MUS. He noted that the flagship campuses could offer expertise to the smaller campuses.

Chair McLean noted that the resolution does not commit resources and that Regent Thiel, as well as the Montana Association of Students (MAS), are very supportive of this initiative. She added that this could result in substantial savings, spotlight the efficient use of taxpayer resources, and create educational opportunities. Chair McLean requested that a taskforce be created to work on this over the summer and to identify specific steps and measurements.

Student comments:

Zach Brown commented on the vast amount of collaborative effort involved in developing the Smart Building Initiative. The students have noted inefficient use of heat and cooling systems on some campuses, and, while this type of work is done on a regular basis on some campuses, the efforts are fractured, and therefore, there is not a unified solution to address the problem. Mr. Brown noted the students' intention is to increase and elevate the involvement across the university system to realize savings more quickly; bring more coordination among the campuses; demonstrate efficient use of taxpayer money; and use this as a job creation mechanism. Savings will result by classrooms being involved in the development of solutions, goals and metrics. Mr. Brown stressed that students are dedicated to make this broadly available. He added that Montana would be one of the first higher education systems in the country to do this collaboratively and to be led internally by students, faculty, and staff.

Thea Abbey, MSU, spoke in support of the initiative and noted this is an incredible opportunity to move forward with this proposal.

Discussion followed in which board members expressed strong support for the project, commending the students for innovative excellence and noting the value of this as a self-sustaining program. Board members also recognized that this is a work in progress, that this is tied in with potential careers, and that the students agree that some of the funds would be intertwined with academic programs.

Regent Krauss noted he had concerns with the concept and description of the initiative.

Commissioner Christian noted that any major projects associated with this initiative will still need to be brought to the board for approval. Regent Williams said the students recognize that board approval is essential.



MONTANA UNIVERSITY SYSTEM

Zach Brown added that part of the conception is that ultimately some of the savings will be intertwined with academic programs, resulting in the money being reinvested.

Regent Williams moved to affirm the resolution, which allows the students to move forward. Motion passed 5-1, with Regent Krauss voting no.

The meeting adjourned at 10:40 AM.

Approved by the Board of Regents on

Date

Date

Clayton T. Christian
Commissioner of Higher Education
and Secretary to the Board of Regents

Angela McLean
Chair, Board of Regents