



MINUTES
Montana Board of Regents
Conference Call Meeting
December 9, 2011

The meeting convened at 10:10 AM. Roll call indicated a quorum present.

Regents Present:, Clayton Christian, Chair, Todd Buchanan, Vice Chair, Steve Barrett, Angela McLean, Major Robinson, Paul Tuss, Joe Thiel, and Commissioner of Higher Education Sheila Stearns, *ex officio*, all by phone. Governor Brian Schweitzer, *ex officio*, was represented by Dan Villa by phone and Superintendent of Public Instruction Denise Juneau, *ex officio*, was excused.

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

Regent Angela McLean moved approval of the November 17-18, 2011 minutes. Motion passed 7-0.

ACTION

- a. New Dorm Construction Project; MT Tech *ITEM 153-1501-C1211*

Chancellor Donald Blackketter noted that MT Tech is nearing the end of the design process now, which has included input from campus representatives and students. He stressed that if at any point in the process it is determined that construction and bonding costs of the dorm exceed MT Tech's ability to repay the debt, then MT Tech will not proceed any further with the project.

Deputy Commissioner Mick Robinson noted that MT Tech first brought this to the board in November 2010 as a 100 bed facility, with financing to be connected to the UM-Missoula bond for the UM-Missoula biomass project, which has since been withdrawn from consideration. He explained the difficulty related to a small bond issue. He told the board that if this item is approved, then the plan for financing the facility will be presented to the board as an action item in the spring of 2012.

Chancellor Blackketter acknowledged that the cost per unit may be cost prohibitive from a student and campus perspective; the 200 bed proposal lowers the cost per unit, but the campus is not convinced they will be able to fill all 200 beds. He noted that the preliminary cost estimate for the 200 bed facility is \$14 million. Chancellor Blackketter verified that MT Tech will come to the BOR for approval before proceeding with construction.

Discussion followed in which the regents: suggested MT Tech conduct a survey to determine how many students would participate in rental of the units and submit that



information to the regents prior to the decision pertaining to financing of the project; indicated concern that the figures show there will be a shortfall of money per bed; noted a concern that the switch from 100 to 200 beds was made due to financing, not out of need; expressed concern that the amount to be charged per bed is too high and students will, therefore, choose to not participate; cautioned Mt Tech to not proceed too quickly; noted that figures presented by MT Tech do not indicate a need for this size of facility; and expressed concern as to whether MT Tech can handle this level of debt.

Regent Todd Buchanan urged the campus to develop community partnerships, with the intent of utilizing such public/private partnerships to revitalize current rental facilities near campus for the purpose of possible student rental. Chancellor Blackketter noted that developing community partnerships has been a consideration as has the possibility of purchasing homes in the campus area. Regent Buchanan suggested additional exploration of the community partnership and purchasing possibilities and, consequently, halting the construction project for the present time.

Chancellor Blackketter expressed concern about halting the planning process for a 200 bed facility unless the campus has an acquisition plan for possibly purchasing local houses. Regent Buchanan clarified that any acquisition plan should be in response to a need and stressed that his intent is for the campus to form public/private partnerships in lieu of building a new dormitory.

Chairman Clayton Christian encouraged campuses to develop acquisition plans.

Regent McLean moved approval of ITEM 153-1501-C1211. Motion passed 7-0.

b. Accelerated Nursing Program; MSU-Bozeman *ITEM 153-2002-C1211*

President Waded Cruzado said this is for students who already have a baccalaureate degree in a discipline other than nursing and offers those students an option of obtaining a second degree in Nursing.

MSU Vice President of Administration and Finance Terry Leist noted high demand for this program and that the campus is requesting to use a more traditional tuition model rather than through the extended university model.

Chairman Christian noted the need for performance analysis and requested extensive study of this when it is done to see what an accelerated program looks like in terms of final outcomes.

The board requested that MSU conduct an extensive study of this program in one year and also provide the board with final outcomes, including how the students perform on testing, job placement and the license exam.

Regent Buchanan moved approval of item 153-2002-C1211. Motion passed 7-0.

c. New Operating Agreement; MSU-Bozeman *ITEM 153-2001-C1211*

President Cruzado explained that this is in response to her request to the MSU Alumni Foundation and the MSU Foundation to look at ways to collaborate and strengthen both



foundations. Representatives came back with this unanimous recommendation. It is the intent that this will be more transparent and will provide a single point of contact.

Chairman Christian noted that the Board of Regents has fiduciary responsibility, and this will add clarity, transparency, and provides a single point of contact. The foundations need to maintain their independence. Christian requested having some sort of reporting process to the BOR so that the BOR can see how the money is spent. In addition a cancellation process should be included in the agreement.

Commissioner Stearns noted that this form of consolidation reflects a gradual national trend that is realizing efficiencies in operation. Her office will review BOR policy 909.1 for alignment purposes.

The board suggested looking at this type of merger for the UM campus as well.

Regent McLean moved approval of the operating agreement between Montana State University and the Montana State University Foundation and also recommended (1) a thorough review of BOR Policy 901.9 – Campus Affiliated Foundations; Montana University System, with the goal of proposing amendments addressing the expanded nature of campus affiliated foundations as incorporated into the MSU Operating Agreement and; (2) in light of the fact the regents are the financial and operational stewards of the Montana University System, review and possible strengthening of Foundation reporting responsibilities to the appropriate campus as well as the Board of Regents. Adopted changes in reporting responsibilities would be amended into Policy 901.9. Motion passed 7-0.

- d. MSU-Northern Chancellor Appointment – Dr. James Limbaugh; MSU-Bozeman
ITEM 153-2800-C1211

President Waded Cruzado noted the successful national search for Chancellor of MSU-Northern, with the final appointment of Dr. Jim Limbaugh.

Regent Paul Tuss moved approval of ITEM 153-2800-C1211. Motion passed 7-0.

- e. Gilkey Center; UM-Missoula *ITEM 153-1001-C1211*

Chairman Christian reported that UM-Missoula had requested deferring action on this item at this time. President Engstrom noted that no new fees would be associated with this project and that the students had requested additional time to analyze the fees component. UM-Missoula anticipates bringing this item forward in March with additional private gifts to be dedicated toward this project.

CONSENT

- a. Local Executive Board Appointments; OCHE *ITEM 153-101-C1211*
- b. Authorization to Execute Easement/Right of Way Agreement between Montana Department of Transportation and Montana State University-Northern; MSU-Northern *ITEM 153-2801-C1211*

Regent Barrett moved approval of consent items a & b. Motion passed 6-0, with Regent



MONTANA UNIVERSITY SYSTEM

McLean having departed from the call prior to this time.

The meeting adjourned at 11:20 AM.

Approved by the Board of Regents on

Date

Date

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

Clayton Christian
Chair, Board of Regents