

OFFICIAL MINUTES

MEETING OF THE STATE BOARD OF EDUCATION

BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO

TRUSTEES OF IDAHO STATE UNIVERSITY

TRUSTEES OF LEWIS-CLARK STATE COLLEGE

TRUSTEES OF BOISE STATE UNIVERSITY

STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION

TRUSTEES FOR THE IDAHO SCHOOL FOR THE DEAF AND THE BLIND

January 21-22, 2002
Regular Scheduled Meeting
Capitol Bldg - Gold Room
BSU SUB - Lookout Room
Boise, Idaho

The meeting notice was posted and distributed in compliance with Idaho Open Meeting Law requirements. With a quorum present, the meeting was lawfully convened at 1:45 p.m., on January 21, 2001, with Ms. Karen McGee, President of the State Board of Education and Board of Regents of the University of Idaho, presiding.

Members Present:

Karen McGee, President
Blake Hall, Vice President
Jim Hammond, Secretary
Paul Agidius
Marilyn Howard, State Superintendent of Public Instruction
Roderic W. Lewis (Jan 21)
Darrell V Manning
Laird Stone

All exhibits referenced in these minutes are on file as permanent exhibits with the Office of the State Board of Education.

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ii.

1) Open Forum for Legislators

The following legislators addressed the Board:

1. Senator Bert Marley - Curriculum Alignment with Standards
2. Representative Kent Kunz - Funding Equity
3. Representative Fred Tilman - Funding Equity, Standards, Assessment and Accountability

2) Department of Administration

Ms. Pam Ahrens, Director of the Department of Administration, reviewed the funding process and discussed capital projects.

3) BOARDWORK

1. Oath of Office

President McGee administered the Oath of Office to Mr. Laird Stone whose term will run December 11, 2001 through March 1, 2003.

2. Agenda

- a. Agenda Approval

It was agreed by consensus to approve the agenda with the following changes:

- 1) Move IRSA to January 21.
- 2) Move the Equity Funding Report to January 21.

- b. Format Change

It was moved by Mr. Hall, seconded by Mr. Hammond and carried (7-1) to ask legal counsel to review and if legally possible, to publish future agendas with the items listed in the order they will be taken up and not indicate the times. (Motion #1)

3. Rolling Calendar

- a. Review of 2002 Rolling Calendar

It was moved by Mr. Lewis, seconded by Mr. Hammond and carried (8-0) to set the Rolling Calendar as listed in Option B. (Motion #2)

It was moved by Mr. Hall, seconded by Mr. Agidius and carried (7-0) to approve Option B, amended to move the November meeting to December 5-6, 2002. (Motion #15)

b. Setting of January 2003 Meeting

It was moved by Mr. Hall, seconded by Mr. Hammond and carried (8-0) to approve the dates coinciding with the JFAC presentations as the dates and the Capitol Gold Room and Boise State University as the locations of the January, 2003 regularly scheduled meeting. (Motion #3)

4. Minutes Approval

November 14-15, 2001 Minutes

Correction to page 8, Item 13 - Change "Ask the legislature to look at amending the Constitution" to "Work with the legislature to get something before the people to amend the Constitution."

It was moved by Mr. Hammond, seconded by Mr. Manning and carried (8-0) to approve the November 14-15, 2001 minutes as amended. (Motion #4)

December 4, 2001 Minutes

It was moved by Mr. Hammond, seconded by Mr. Manning and carried (8-0) to approve the December 4, 2001 minutes as submitted. (Motion #5)

4) 2002 Commencement /Graduation Ceremonies

President McGee asked Board members to advise the Board secretary which ceremonies they will attend.

Permanent Exhibit #1

5) Idaho's MOST

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a. It was moved by Mr. Hammond, seconded by Mr. Agidius and carried (8-0) to appoint Jennifer Williams, Teacher of the Year, to the Advisory Group. (Motion #6)

- b. Dr. Patty Toney provided a status report to the Board.
- 1. Idaho has been selected to participate in the Colleges and Classrooms project.
- 2. The Futures Corporation has been hired to prepare a strategic plan for the Professional Standards Commission.
- 3. The plan will be brought to the Board in June.

Permanent Exhibit #2

6) Assessment and Accountability - Commission Appointments

Ms. McGee said the Commission makeup would remain the same. She invited all those who wanted to attend the meetings to do so.

7) State Department of Education

A. School Nurse Program

Ms. Kate McIlvaine, Idaho School Nurse of the Year, gave a presentation on the duties and need for school nurses. She asked that a School Nurse Coordinator position be established in the State Department of Education.

B. Elementary and Secondary School Accreditation

It was moved by Dr. Howard, seconded by Mr. Hall and carried (7-0) to approve the request for Elementary and Secondary School Accreditation Reports as submitted. (Motion #9)

C. Curricular Materials Approval

It was moved by Dr. Howard, seconded by Mr. Hammond and carried (7-0) to approve the request for adoption of curricular materials and related instructional materials as recommended by the Curricular Materials Selection Committee. (Motion #10)

D. Requests for Letters of Authorization

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It was moved by Dr. Howard, seconded by Mr. Lewis and carried (7-0) to approve the Requests for Letters of Authorization as submitted by the Professional Standards Commission. (Motion #11)

E. Safety Busing Requests

It was moved by Dr. Howard, seconded by Mr. Hammond and carried (7-1) to approve the request for Approval to Transport Students Less than One and One-half Miles. (Motion #12)

F. Petitions to Redefine Trustee Zones

As a result of the decennial census, the following school districts submitted petitions to redefine their boundaries:

Orofino Jt. SD #171
Challis Jt SD #181
Grangeville Jt SD #241
Culdesac Jt SD #342

It was moved by Dr. Howard, seconded by Mr. Hammond and carried (7-0) to approve the proposals from the above-listed school districts to redefine their trustee zones. (Motion #13)

G. Superintendent's Report

Dr. Howard reported on:

- 1) Assessment
- 2) Federal funding
- 3) Distribution of Legislative binder

Permanent Exhibit #4

8) Executive Session

It was moved by Mr. Hall and seconded by Mr. Manning to enter into executive session per *Idaho Code* 67-2345 1)(c) to conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency, and (f) to consider and advise its legal representatives in pending litigation or where there is a general public awareness of probable litigation. A Roll Call vote was taken:

AYES: Dr. Howard, Mr. Manning, Mr. Hall, Mr. Agidius, Mr. Stone, Mr. Hammond, Mr. Lewis, Ms. McGee

NAYS: None

ABSTAIN: None

ABSENT: None

1. The Board advised its legal representative concerning possible litigation involving EITC.
2. The Board advised its legal representatives in pending litigation involving the UI.
3. The Board advised its legal representatives in pending litigation involving BSU.
4. The Board reviewed a request by BSU to purchase real property, which is not owned by a public agency.

No decisions were reached.

9) Open Session

Eastern Idaho Technical College

It was moved by Mr. Hall, seconded by Mr. Stone and carried (5-0) to assign Paul Agidius to be the liaison between the State Board and legal counsel representing Eastern Idaho Technical College with regard to either potential or threatened litigation associated with property belonging to Eastern Idaho Technical College so there can be direct contact between the Board and Eastern Idaho Technical College. (Motion #26)

Boise State University

Mr. Hall was concerned that the request to purchase property included property

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outside of that identified in the Campus Master Plan. He suggested BSU amend its Master Plan, hold hearings and then bring the request to the Board. Additionally, he

did not feel land outside the Master Plan could be subject to the eminent domain process.

It was moved by Mr. Manning and seconded by Mr. Stone to authorize Boise State University to acquire, within their allotted budget, real property identified in the Master Plan and execute all documents necessary to acquire the property, subject to review and approval of the Executive Director and Legal Counsel for the Board--motion amended by Mr. Hall and Mr. Manning to add: "and to utilize its power of eminent domain, if necessary." The amended motion carried (5-0). (Motion #30)

Mr. Manning asked for assurance that BSU would attempt to purchase the property before exercising the eminent domain process. Ms. Amanda Horton, BSU Legal Counsel, said that was a requirement of the statute and they would ensure it was followed.

10) Professor of the Year

Dr. Daryl Jones introduced Dr. John Freemuth, CASE's 2001 Idaho Professor of the Year.

11) Instruction Research and Student Affairs

1. Agenda Summary

Refer to permanent exhibit.

2. Committee Minutes

Information: CAAP, October 31 and HERC, September 11 minutes.

3. Intellectual Property Update

A report by Battelle Institute will be brought to the Board in March.

4. EPSCoR Review Update

A report by Battelle's Technology Partnership Practice will be brought to the

Board in March.

5. Notice of Intent

Dr. Charles Ruch advised that the M.S.-Math degree would not require additional resources, but could be funded with the reallocation of existing funds.

It was moved by Mr. Lewis, seconded by Mr. Hammond and carried (8-0) to approve Boise State University's request to offer a Master of Science in Mathematics degree. (Motion #7)

Permanent Exhibit #3

12) Planning, Policy and Governmental Affairs

1. Agenda Summary

Refer to permanent exhibit.

2. Idaho State Library

Dr. Charles Bolles gave a progress report.

3. Idaho Division of Vocational Rehabilitation

Mr. Barry Thompson gave a progress report.

4. Eastern Idaho Technical College Advisory Council

It was moved by Mr. Hammond, seconded by Dr. Howard and carried (7-0) to approve the appointment of Mr. Calvin Ozaki to the EITC Advisory Council for a term of three years, January 2002 through December 2004. (Motion #16)

5. Governing Policies and Procedures - First Reading

It was moved by Mr. Hammond, seconded by Mr. Manning and carried (7-0) to approve for First Reading the change to Section IV, Idaho State Historical Society, Item H.1, which clarifies the appointment process for the ISHS Board of Trustees. (Motion #17)

6. Other

Student Medical Coverage

Mr. Hall asked the Presidents' Council to assign the VP for Student Affairs to bring a proposed uniform policy to the staff, who will bring the proposed policy to the Board in March. It was asked that the proposed policy address:

1. Provisions for a student to opt out of purchasing the coverage, if they have private coverage.
2. Methods of determining proof of other insurance.
3. Number of credit hours a student must carry before insurance is required.

Mr. Hall said he would report to Senator Grant Ipsen that the Board would prefer this not become a legislative issue, and that it is conducting a review and will have a policy in place by Fall semester.

Tenure in OSBE

There was discussion about asking the legislature to modify the statute relating to tenure of OSBE staff.

Funding Equity Task Force - Science & Technology Growth Adjustment

It was moved by Mr. Hall, seconded by Mr. Hammond and carried (7-0) to send, under Ms. McGee's cover letter on the Equity Study Report to the legislature, the Board's recommendation, with an equal level of importance to the Equity Report, the Governor's Research Initiative to be funded at approximately \$3M. The increase in funds would be in direct proportion to increases in the budget amount for each weighted credit. The distribution of the funds would be in proportion to their research expenditures in the prior fiscal year, as shown by the audited financial statements from each institution; except, none of the institutions would receive less than \$75,000, i.e. if under the formula, an institution would receive less than \$75,000, that institution would receive \$75,000 and the remaining money would be distributed on a pro rata basis to the other three institutions. This would ensure that a high level of research is maintained while improving equity funding. (Motion #18)

Mr. Hall clarified that Motion #18 was specifically geared to science and technology research.

NOTE: See also, Item #3 on BAHHR agenda.

Permanent Exhibit #s 5 & 6

13) Business Affairs and Human Resources

FINANCE

1. Agenda Summary

Refer to permanent exhibit.

2. Institution/Agency Agendas

Boise State University

4.6.1 - Acceptance of Gifts - Idaho Center for Professional Truck Driver Training

It was moved by Mr. Manning, seconded by Mr. Hall and carried (7-0) to authorize BSU to accept the donation of six (6) trucks with a value of over \$350,000 as described in the agenda materials. (Motion #19)

4.8.1 - Student Union and Housing System Bonds

It was moved by Mr. Manning and seconded by Mr. Hammond to approve a Supplemental Resolution for the 2002 Bonds, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION of Boise State University authorizing the issuance of sale of \$38,255,000 Student Union and Housing System Refunding and Improvement Revenue Bonds of the Board of Trustees of Boise State University, Series 2002, authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2002 Bonds. A Roll Call vote was taken:

AYES: Mr. Stone, Dr. Howard, Mr. Manning, Mr. Hall, Mr. Agidius, Mr. Hammond, Ms. McGee

NAYS: None

ABSTAIN: None

ABSENT: Mr. Lewis

4.10.2 - Refinance Certificates of Participation for College of Technology Bldg

It was moved by Mr. Manning and seconded by Mr. Hammond to approve the Resolution regarding the Refinancing Certificates of Participation held by the BSU Foundation. A Roll Call vote was taken:

AYES: Mr. Manning, Mr. Hall, Dr. Howard, Mr. Stone, Mr. Agidius, Mr. Hammond,
Ms. McGee
NAYS: None
ABSTAIN: None
ABSENT: Mr. Lewis

The motion carried (7-0-0-1). (Motion #21)

University of Idaho

4.8.1 - Commercial Loan with Wells Fargo Bank, N.A.

The project was originally authorized in the FY2002 Capital Improvement Plan. A loan was requested in the amount of \$1,300,000 at 4.75 percent interest, which will be used to design and construct a multi-tenant unit at the UI Post Falls facility. The loan will be amortized over a 13-year period, with a review at the end of five years. It will be repaid from rental facility revenues and other local fund sources.

It was moved by Mr. Manning, seconded by Mr. Stone and carried (7-0) to approve the commercial loan from the Wells Fargo Bank in an amount not to exceed \$1,300,000. (Motion #22)

5.8.1 - Facilities Lease with Idaho State Building Authority (Idaho Place)

It was moved by Mr. Manning and seconded by Mr. Agidius to approve the request from the University of Idaho to enter into a Facilities Lease with the Idaho State Building Authority in the form presented to the Board with respect to the Idaho Place in Boise, Idaho beginning in FY2004. The rental payments due thereunder to be paid from currently budgeted lease payments upon expiration of the MK Place IV leases on August 31, 2003, and from other institutional and appropriated funds for University departments, programs and services occupying the Project. (Mr. Manning as maker of the Motion voted Aye then changed his vote No - the motion carried 6-1.) (Motion #23)

5.1.2- Facilities Lease with Idaho State Building Authority (Idaho Water Center)

It was moved by Mr. Manning and seconded by Mr. Agidius to approve the request from the University of Idaho to enter into a Facilities Lease with the Idaho State Building Authority in the form presented to the Board with respect to the Water Center in Boise, Idaho, beginning in FY2004. The rental payments due thereunder to be paid from currently budgeted lease payments upon expiration of the MK Plaza IV leases on August 31, 2003 and from other institutional and appropriated funds for University departments, programs and services occupying the project. (Mr. Manning as maker of the motion voted Aye then changed his vote to No - the motion carried 6-1). (Motion #24)

Lewis-Clark State College

5.1.1 - Acquisition of Property

As part of its Campus Master Plan, LCSC needs to acquire additional property for expansion and/or parking. Because of the College's need for parking required by the upcoming construction of the Campus Activity Center, property owners have placed higher values on their property. As a result, the price of \$58,000 is \$13,000 above market appraisal. Mr. Hall asked Mr. Dean Froelich to talk to the Board's legal counsel to see if there would be tax advantages to the seller if a friendly condemnation process were utilized, which could, in turn, result in a reduction in the price of the property.

It was moved by Mr. Manning, seconded by Mr. Stone and carried (5-0) to approve the purchase of property at 611 9th Avenue in Lewiston as described in the exhibit. (Motion #25)

3. Task Force Report on Equity

Mr. Manning gave a history of the funding process and presented the Equity Task Force report. The Task Force viewed the MGT results as an external determination of inequity, therefore, it focused on internal equity by looking at the difference in student costs and assigned weights at different levels of the disciplines. The Task Force suggested a change in the formula in order to account for the differences in various levels and the goals and mission and to focus on funds that support an institution's mission--only the adjusted instructional funds were in the analysis to determine equity. It was also felt that doctoral students should be funded at a higher rate than lower division students and that some disciplines should be funded at a higher level than others.

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The Task Force recommended that the Board support an effort to increase funding for all colleges and universities and that it will take \$7.9 million to correct the

inequities. It was also recommended that additional new funds be used to achieve equity and that the recommendation be one of the Board's highest priorities until equity is achieved. It was also recommended that unfunded requests for enrollment changes for enrollment workload adjustments be added back and if they're not funded in the first year, be added back the second year.

The Task Force found that the enrollment workload adjustment did not adequately fund doctoral-level programs and did not adequately fund the increases in enrollment. Therefore, it was decided to identify the credit hours generated by doctoral students and the established weights for doctoral-level credit hours with a maximum weight of 10, i.e. a doctoral level program would get 10 times the money of a Category 1 program. It was also recommended:

1. Retain the four groups the additional five percent weight for roles and
2. Continue the current practice of excluding credit hours generated from full
3. Increase the dollar value of weighted credit hours.

mission
fee pay

Mr. Agidius said the equity study done by MGT looked at external peers with the result showing the UI being underfunded whereas the internal study showed BSU being underfunded. He felt both studies were valid, but the question was what is equity and can they be meshed. He cautioned that adjustments should not be made based on either the external or internal study recommendations.

Mr. Lewis agreed with Mr. Agidius and said what the Task Force tried to do was narrow down the differences internally to get as pure a look as possible, given the weighted credit hours system currently in place. He said the Task Force felt this is the appropriate way to address the issue is consistent with other funding mechanisms and is a valid approach to dealing with equity issues.

Mr. Agidius added that when looking at the entire picture, what the Governor has proposed for Science and Technology and the amount of research done by each institution should be tied in with the report.

Mr. Lewis felt the Task Force had developed a strong and valid approach for determining internal equity, however, there are other issues that need to be dealt with, i.e. the dollar value for weighted credit hour, the three-year rolling average and the issues brought up by Mr. Agidius. He said he would like to keep the Task Force in place to continue to deal with the other issues.

Mr. Hammond asked for suggestions on ways to compensate an institution for performing other missions. Mr. Manning replied that the roles are assigned by the

Legislature and/or land grant status, among other things, but as near as possible they allocated administrative costs and isolated out and as much possible, but it is a very complex system. Mr. Lewis said they were looking at allocated funds in a narrow sense, but that enrollment workload adjustment and the weighted credit hour system do incorporate the missions.

Mr. Hammond asked for clarification on what accepting the report meant regarding its implementation. Mr. Manning said it will be recommended to the legislature to implement the recommendations as quickly as possible, if money is available. Mr. Hall said it was his understanding that when the report is accepted, the Board would then forward it to the House and Senate Education Committees for review. Mr. Lewis asked that the committees be advised that there will be additional study and information forwarded to them. Mr. Hall suggested Ms. McGee include a cover letter with the report advising that this is a preliminary analysis. Mr. Lewis felt this is the final recommendation for equity, but that there are additional issues to be addressed. It was also felt that Science and Technology, the three-year rolling average and increased workload adjustment issues needed to be included in the cover letter.

Mr. Lewis said that in terms of developing equity, the task force should set the peer review aside and focus on it at another point in time. At this point, the Task Force should look at achieving internal equity.

Mr. Hall felt there could be some overlap because there is a committee looking at the ratio between state funding and student fees in addition to a five-year plan on to how to arrive at appropriate funding for education.

Mr. Hammond felt part of the problem with equity has been in the base structure and the fact that increases were based on the percentile of the base. He asked if there would be new base structures to work from. Mr. Manning replied that ultimately the base structures would change somewhat.

Mr. Hall asked Ms. McGee to include in her cover letter to legislators a recommendation that the Governor's research initiative be funded at an level of approximately \$3M and that the increase in funds be in direct proportion to increases in the budget amount for each weighted credit and the distribution of the funds would be in proportion to their research expenditures in the prior fiscal year as is shown by the audited financial statements from each of the institutions with the exception that none of the institutions would receive less than \$75,000. For example, if the figure for LCSC

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under that approach came out at less than \$75,000, LCSC would get \$75,000. The balance would be distributed on a pro-rata basis to each of the other three institutions. Dr. Richard Bowen asked if the references to research were in relation to technology or

overall research. Mr. Hall said the Governor's initiative for research deals with science and technology.

It was moved by Mr. Manning, seconded by Mr. Lewis and carried (7-0-1 [Mr. Hammond abstained]) to accept the Task Force Report with the knowledge that the Task Force will continue to meet. (Motion #8)

NOTE: See also, Item #6 on PPGAC agenda.

4. Nonresident Tuition Waiver - Fall 2001 Reports

It was moved by Mr. Manning, seconded by Dr. Howard and carried (5-0) to accept the Nonresident Tuition Waiver - Fall 2001 Reports for Boise State University, Idaho State University, the University of Idaho and Lewis-Clark State College. (Motion #27)

5. Finance Policy - Final Reading

It was moved by Mr. Manning, seconded by Mr. Hall and carried (5-0) to approve for Final Reading the Fiscal section of the Business Affairs and Human Resources policy as presented in the exhibit. (Motion #28)

HUMAN RESOURCES

1. Agenda Summary

Refer to permanent exhibit.

2. Institution/Agency Agendas

It was moved by Mr. Manning, seconded by Dr. Howard and carried (5-0) to approve the institution/agency agenda items as presented in the exhibit for Boise State University, Idaho State University, the University of Idaho and Idaho Public Television. (Motion #29)

Permanent Exhibit #s 7, 8, 9 & 10

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ADJOURNMENT: January 21, 5:00 p.m.
January 22, 3:30 p.m.

CERTIFICATION:

These minutes are not verbatim. However, to the best of my knowledge, they constitute a complete and accurate record of the proceedings of the meeting.

Recording Secretary: Vicki E. Barker