

**APPROVED MINUTES OF THE
MEETING OF THE STATE BOARD OF EDUCATION
BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO
TRUSTEES OF BOISE STATE UNIVERSITY
TRUSTEES OF IDAHO STATE UNIVERSITY
TRUSTEES OF LEWIS-CLARK STATE COLLEGE
STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION
TRUSTEES FOR THE IDAHO SCHOOL FOR THE DEAF AND THE BLIND**

April 10-11, 2002
Regular Scheduled Meeting
Eastern Idaho Technical College
Idaho Falls, 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 6:00 p.m. on April 10, 2002, 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
James C. Hammond, Secretary
Paul Agidius
Marilyn Howard, State Superintendent of Public Instruction
Darrell V Manning
Laird Stone

Members Absent:

Rod Lewis

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

Table of Contents

1)	Input on Proposed Student Fee Increases	Page 1
2)	Executive Session.....	Page 1
3)	Boardwork.....	Page 2
1.	Oath of Office	Page 2
2.	Agenda Approval	Page 2
3.	Rolling Calendar	Page 2
4.	Minutes Approval.....	Page 2
5.	Executive Session Item	Page 2
6.	Election of Officers	Page 3
4)	Open Forum	Page 3
5)	Assessment and Accountability Report	Page 3
6)	State Department of Education.....	Page 3
A.	Elementary and Secondary Education Act (ESEA) Overview.....	Page 3
B.	Proposed School Accreditation Process	Page 4
C.	Request for Letters of Authorization	Page 4
D.	Curricular Materials Committee Appointments	Page 4
E.	Proposals to Rezone School Districts	Page 4
F.	Lewiston School District - Health and Physical Fitness Waiver.....	Page 5
G.	Remote and Necessary School Application	Page 5
H.	Proposal to Rezone Salmon District.....	Page 5
I.	Proposal to Rezone Clark County District	Page 6
J.	Superintendent's Report.....	Page 6
7)	Museum Development	Page 6
8)	Instruction, Research and Student Affairs.....	Page 7
1.	Agenda Summary	Page 7
2.	Idaho Technology Incentive Grant Program	Page 7
9)	Business Affairs and Human Resources	Page 7
	Finance	Page 7
1.	Agenda Summary	Page 7
2.	Institution/Agency Agendas.....	Page 8
	Idaho State University	Page 8
	University of Idaho	Page 8
	Idaho School for the Deaf and the Blind	Page 9
	State Division of Professional-Technical Education.....	Page 9
3.	FY03 College and University Allocation	Page 9
4.	FY03 Community College Allocation	Page 9
5.	FY03 Student Fee and Tuition Rates	Page 9
6.	Idaho Promise Scholarship Awards.....	Page 10
7.	Intercollegiate Athletic Report	Page 10
8.	FY04 Budget Request Process	Page 10
	Human Resources	Page 10

	1.	Agenda Summary	Page 10
	2.	Institution/Agency Agendas.....	Page 11
	3.	Second Reading: Section F - Nonclassified Employees	Page 11
10)		Policy, Planning and Governmental Affairs.....	Page 12
	1.	Agenda Summary	Page 12
	2.	Progress Report - Eastern Idaho Technical College.....	Page 12
	3.	Progress Report - Professional-Technical Education	Page 12
	4.	Presidents' Council Report.....	Page 12
	5.	Final Reading: Student Health Insurance	Page 13
	6.	Final Reading: State Library Board Appointment	Page 13
	7.	Post Legislative Report.....	Page 13
	8.	Other	Page 13
11)		Good of the Order	Page 14

1) Input on Proposed Student Fee Increases

The Board convened via video conference facilities at Eastern Idaho Technical College, Boise State University, Idaho State University, Lewis-Clark State College and the University of Idaho to accept testimony from individuals regarding proposed student fee increases.

Permanent Exhibit #1

2) Executive Session

It was moved by Dr. Howard and seconded by Mr. Hammond to enter into Executive Session, 67-2345(1)(a) to consider hiring a public officer, employee, staff member or individual agent, (b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student, (c) to conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency, (d) to consider records that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code 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: Mr. Agidius, Mr. Hall, Mr. Hammond, Mr. Stone, Dr. Howard, Ms. McGee
NAYS: None
ABSTAIN: None
ABSENT: Mr. Lewis

The motion carried (6-0). (Motion #1)

- (1) The Board considered the hiring of a public officer, employee, and staff member.
 - (2) The Board considered the evaluation, dismissal or disciplining of, and heard complaints or charges brought against, public officers, employees, staff members and public school students.
 - (3) The Board discussed acquiring an interest in real property, which is not owned by a public agency.
 - (4) The Board considered records that are exempt from disclosure.
 - (5) The Board considered and advised its legal representative in pending litigation.
 - (6) The Board discussed labor negotiations.
- No decisions were reached. (Minutes taken by Jane Hochberg.)

3) Boardwork

1. Oath of Office

Ms. McGee administered the Oath of Office to Darrell V Manning, who was reappointed for the term March 15, 2002 through March 1, 2007.

2. Agenda Approval

It was moved by Mr. Hall, seconded by Mr. Hammond and carried (7-0) to approve the agenda for the April 11-12, 2002 meeting with the inclusion of a provision to address Executive Session items. (Motion #2)

3. Rolling Calendar

It was moved by Mr. Hall, seconded by Mr. Hammond and carried (7-0) to approve April 17-18, 2003 as the dates and North Idaho College as the location of the April 2003 regular scheduled meeting. (Motion #3)

4. Minutes Approval

It was moved by Mr. Hammond, seconded by Mr. Stone and carried (7-0) to approve the minutes of the March 2002 meeting as submitted. (Motion #4)

5. Executive Session Item

It was moved by Mr. Hall, seconded by Mr. Stone and carried (7-0) to approve an amendment to the supplemental compensation agreement between Boise State University Foundation and President Ruch with the following understanding:

"This motion is at the request of the Foundation. While the original intent of the agreement was that the additional compensation was to be in the form of tax deferred compensation, the Foundation apparently has been advised that the agreement creates an adverse tax consequence. The Board in no way at this time is representing or warranting that this amendment will remedy the tax consequences as requested by the Foundation, especially given the retroactive application of the amendment. The Foundation has represented that it has sought tax advice in seeking this amendment, but such advice is not the responsibility of this Board and this Board action is only intended to affirm that it was the Board's original intent to approve the agreement as a tax-deferred compensation. Thus, responsibility for any tax consequences rests with the Foundation and Dr. Ruch, and the Board would simply be approving the amendment with that to reflect the original intent.@ (Motion #5)

6. Election of Officers

It was moved by Mr. Hammond, seconded by Mr. Agidius and carried (7-0) to elect Blake Hall as the President of the State Board of Education. (Motion #6)

It was moved by Mr. Agidius, seconded by Mr. Stone and carried (7-0) to elect Jim Hammond as the Vice President of the State Board of Education. (Motion #7)

It was moved by Mr. Hammond, seconded by Mr. Hall and carried (7-0) to elect Rod Lewis as the Secretary of the State Board of Education. (Motion #8)

Permanent Exhibit #2

4) Open Forum

1. Tate Smith - mandatory student health insurance.
2. Harold Davis - education and the economy.

5) Assessment and Accountability Report

Ms. McGee updated the Board on the Commission's activities and invited Board members to the April 18 Testing Kickoff.

The Commission will now begin addressing accountability and will hold hearings around the state beginning May 8.

Permanent Exhibit #3

6) State Department of Education

A. Elementary and Secondary Education Act (ESEA) Overview

The current reauthorization bill and the No Child Left Behind Act were signed into law by President Bush on January 8. Mr. Tom Farley briefed the Board on the Act. He advised of the following regional workshops: April 22, Post Falls; April 24, Pocatello and April 25, Boise.

B. Proposed School Accreditation Process

In April 2001 the SDOE was granted approval from the Board to begin field testing the new accreditation standards, which it did in Fall 2001. Dr. Bob West and Ms. Shannon Page reviewed the accreditation process and advised that the SDOE will continue to research, develop and refine the process. It is anticipated that the model, when approved, will be implemented by 2005.

Mr. Hall asked if there was flexibility in the framework so local districts could adjust it to their own particular needs. Ms. Page said the framework would be in a skeletal structure, which would allow planning flexibility.

Mr. Hall asked Ms. Page to provide the Board with a timeline so members would know when the next steps are likely to occur and can provide input to the process.

C. Request for Letters of Authorization

It was moved by Dr. Howard, seconded by Ms. McGee and carried (7-0) to approve the requests for Letters of Authorization as submitted by the Professional Standards Commission. (Motion #9)

D. Curricular Materials Committee Appointments

SDOE Recommendations:

Karen Fraley, one-year appointment
Don Eshelby, one-year appointment
David Squires, five-year appointment
John Davis, five-year appointment

It was moved by Dr. Howard, seconded by Mr. Hammond and carried (7-0) to approve the request for Appointments to the Idaho State Curricular Materials Selection Committee as submitted. (Motion #10)

E. Proposals to Rezone School Districts

Bliss Jt SD #234
Dietrich SD #314
Cascade SD #422
Bruneau-Grandview Jt SD #365

It was moved by Dr. Howard, seconded by Mr. Agidius and carried (7-0) to approve the proposals from the above-listed school districts to redefine their trustee zones. (Motion #11)

F. Lewiston School District - Health and Physical Fitness Waiver

Dr. Howard advised that the SDOE has approved a sixth one-year waiver for the Lewiston Independent SD for the 2002-03 school year.

G. Remote and Necessary School Application

It was moved by Dr. Howard, seconded by Mr. Hammond and carried (7-0) to approve the request by Arbon Elementary District #383 to be recognized as Remote and Necessary. (Motion #12)

H. Proposal to Rezone Salmon District

In 2001, the SBOE approved a proposal to rezone the school district. However, the district found a procedural error in its submission and irregularities in the proposal as submitted. As a result, the district asked the Board to rescind its approval of the earlier proposal so a new proposal can be prepared and submitted.

Dr. Candis Donicht advised the Board of the problems:

1. The district had instructed its consultant to set the new zones with the intent of keeping current trustees in place. The rezoning plan did not do so.
2. The district did not give the rezoning plan the required third reading.

There was discussion regarding various ramifications of rescinding or not rescinding the approval. Additionally, concerns were expressed about redefining the zones in such a manner as to keep incumbent trustees in place.

It was moved by Dr. Howard, seconded by Mr. Stone and carried (5-2) to approve the request to rescind the approval of the district's request to redefine trustee zones. (Motion #13)

I. Proposal to Rezone Clark County District

In 2001, the Board approved a proposal to rezone the school district. However, the district found errors in its submission and asked the SBOE to rescind its approval of the earlier proposal so a new proposal can be prepared and submitted.

Dr. Linda Carlsen advised the Board of the problems:

1. The district had instructed its consultant to determine the zones with the intent of keeping the current trustees in place. The rezoning plan did not do so.
2. Two streets were left out of the legal description resulting in those residents not being in a zone.

Mr. Manning felt there needed to be legislative action to specify that retention of incumbents is not to be a consideration in rezoning.

It was moved by Dr. Howard, seconded by Mr. Agidius and carried (7-0) to rescind approval of the district's proposal to redefine trustee zones. (Motion #14)

J. Superintendent's Report

Dr. Howard reported:

1. The SDOE reached agreement with the USDoE and Idaho will continue to receive Title I funds, provided it follows the action plan.
2. Responses to concerns about Standards and Assessment.
3. Information management systems for schools.

Permanent Exhibit #4

7) Museum Development

Dr. Skip Lohse reviewed the mission and plans for the Idaho Museum of Natural History located on ISU campus. He said the Advisory Board of the Museum prepared an expansion plan, which has been presented to President Bowen. He reviewed the plan and asked for consideration of designation as a Special Project of the Idaho State Board of Education. Such designation would affirm support of the plan and authorize conversations with other entities. Dr. Lohse said he would provide a detailed report to the Board by the end of the year.

It was moved by Ms. McGee, seconded by Mr. Stone and carried (7-0) to support and affirm that the Board recognizes as a Special Project the Idaho State Museum of Natural History, supports program fund raising and, especially, with K-12 science integration into the K-12 system. (Motion #15)

Mr. Hall asked Dr. Richard Bowen to provide a tour of the Museum facility when the Board is at ISU in December. Dr. Bowen said he would organize it.

8) Instruction, Research and Student Affairs

1. Agenda Summary

See permanent exhibit.

2. Idaho Technology Incentive Grant Program

Ms. Nancy Szofran reviewed, via videoconferencing technology, the grant application process and provided information on the proposals.

It was moved by Mr. Hammond, seconded by Mr. Stone and carried (7-0) to approve the funding of the projects as exhibited on the FY2003 Idaho Technology Incentive Grant Program Proposals document. (Motion #16)

Permanent Exhibit #s 5 and 6

9) Business Affairs and Human Resources

Finance

1. Agenda Summary

See permanent exhibit.

2. Institution/Agency Agendas

Idaho State University

a. Facilities Lease - Idaho Place Project

It was moved by Mr. Manning, seconded by Mr. Agidius and carried (7-0) to approve the request from Idaho State University to enter into a Facilities Lease with the Idaho State Building Authority with respect to Idaho Place in Boise, Idaho, beginning in fiscal year 2004. The rental payments due there under to be paid from currently budgeted lease payments upon expiration of the Boise Place leases and from other institutional and appropriated funds for University departments, programs and services occupying the Project. (Motion #17)

b. Facilities Lease Amendment - West Explorer Drive, Boise

It was moved by Mr. Manning, seconded by Ms. McGee and carried (7-0) to approve the request from Idaho State University to amend the existing lease between ISU and Wild Shamrock, LLP for space located at 12301 West Explorer Drive, Boise, Idaho, increasing the total square footage by 4,090 to 21,142 and the yearly lease payment from \$247,254 to \$306,559. (Motion #18)

University of Idaho

a. Easement - North Farm in Moscow

It was moved by Mr. Manning, seconded by Mr. Agidius and carried (7-0) to approve the University of Idaho's request to grant an easement to Stepping Stones,

Inc., to construct, operate and maintain a utility and access easement across University property as details in the exhibit. (Motion #19)

- b. MOU - Higher Education Center, Coeur d'Alene

It was moved by Mr. Manning, seconded by Mr. Hammond and carried (7-0) to approve the University of Idaho entering into a Memorandum of Understanding with the Idaho Department of Commerce, North Idaho College, the City of Coeur d'Alene and the Lake City Development Corporation. (Motion #20)

- c. Naming of Building - Dr. Fred Tingey

Information item. The Administration Building at Idaho Place will be named in Dr. Tingey's honor.

Idaho School for the Deaf and the Blind

- a. Establishment of General Fund Contingency Reserve

It was moved by Mr. Manning, seconded by Mr. Hammond and carried (7-0) to create and establish a general fund contingency reserve for the Idaho School for the Deaf and the Blind according to Senate Bill No. 1414. (Motion #21)

- b. Audits and Financial Reports - Student Activity Funds

Information item--Required Report.

State Division of Professional-Technical Education

- a. FY03 Allocation

It was moved by Mr. Manning, seconded by Mr. Hammond and carried (7-0) to approve the request from the Division of Professional-Technical Education for the allocation of the FY03 appropriation as detailed in the exhibit. (Motion #22)

- 3. FY03 - College and University Allocation

It was moved by Mr. Manning, seconded by Ms. McGee and carried (7-0) to approve the FY03 allocation for Boise State University, Idaho State University, the University of Idaho, Lewis-Clark State College and system-wide needs as presented in the exhibit. (Motion #23)

- 4. FY03 Community College Allocation

It was moved by Mr. Manning, seconded by Mr. Stone and carried (7-0) to approve the FY03 allocation of community college support to the College of Southern Idaho and to North Idaho College, equally, as shown in the exhibit. (Motion #24)

5. FY03 Student Fee and Tuition Rates

Board members expressed concerns about the need to raise student fees. Students were thanked for providing input into the process and for their understanding of the necessity of increasing student fees and tuition rates.

Mr. Hall suggested the Board look into implementing a uniform fee policy so future students will have a better feel of anticipated costs over the term of their education.

It was moved by Mr. Manning, seconded by Mr. Stone and carried (7-0) to approve the fee and tuition rates for FY03 for Boise State University, Idaho State University, the University of Idaho, Lewis-Clark State College and Eastern Idaho Technical College as recommended and displayed in the exhibits. (Motion #25)

6. Idaho Promise Scholarship Awards

a. Category A

It was moved by Mr. Manning, seconded by Mr. Hammond and carried (7-0) to set the amount of the Category A, Promise Scholarship at \$3,000 per year for qualified students in the academic year 2002-03. (Motion #26)

b. Category B

It was moved by Mr. Manning, seconded by Mr. Hammond and carried (7-0) to set the amount of the award at \$400 per student for those current recipients who maintain eligibility and for qualified first-year entering students under the age of 22 in the academic year of 2002-03. (Motion #27)

7. Intercollegiate Athletic Report

Information item--Required annual report.

8. FY04 Budget Request Process

Mr. Manning said the overall priorities would be set in August. He recommended looking at an MCO or a modified MCO with a list of priorities. He felt that until the April funding figures are released, that would be the best way to deal with the budget issues.

Mr. Hall suggested the Board review preliminary budget information at the May retreat and give instructions to the staff at that time. Mr. Manning will come prepared with the best estimate of available resources.

Permanent Exhibit #7

Human Resources

1. Agenda Summary

See permanent exhibit.

2. Institution/Agency Agendas

It was moved by Mr. Manning, seconded by Mr. Agidius and carried (6-1) to approve the agenda items as presented for Boise State University, Idaho State University, the University of Idaho, Lewis-Clark State College, the Idaho School for the Deaf and the Blind and Idaho Public Television. (Motion #28)

3. Second Reading: Section F - Policies Regarding Nonclassified Employees

It was moved by Mr. Manning and seconded by Ms. McGee to approve for Second Reading the changes to sections to Human Resources, Section F - Policies Regarding Nonclassified Employees as presented in the exhibit.

Mr. Agidius said it was his understanding from First Reading that all nonclassified employees at the agencies and institutions were being made "at will" at the discretion of the CEOs. However, the Second Reading indicates the agency employees only will be "at will" and the contracts will be maintained at the institutions, which was not what was discussed in March. He felt there needed to be discussion on why the agencies are being distinguished from the institutions. Mr. Gary Stivers said the intent of the changes to the policy were to meet some needs the agencies were experiencing and when the first draft was written, an option was put in for the institutions to either go with contract or "at will" employment for their nonclassified employees. Since that time, some issues have been brought up by some of the institution groups that indicate there does need to be further discussion before changes are made. He asked the Board to proceed with the changes to "at will" employment at the agencies in order to meet current financial needs.

Mr. Agidius asked if there were objections to allowing the institutions to make the decision. Mr. Stivers said there are many changes going on at the campuses and they felt the changes should be deferred unless the need arose. Mr. Hall said the word "may" in the policy's First Reading as it relates to the institutions giving contracts had

been changed to "shall" for Second Reading. He felt it has been the policy of the Board to not mandate to the institutions what they should do relative to employment issues, but allow them flexibility. Mr. Agidius agreed and felt the Board should not get into the position of dictating to agency heads or institutions what they should do.

Mr. Ken Prolo said in the higher education area, nonclassified employees are typically given a contract. He said there was concern it would impact recruiting and retention. Mr. Hall felt changing the wording back to "may," would not require the institutions to operate in a different fashion. Mr. Prolo agreed, but said the feelings on campus are that they would prefer that option not be available. Mr. Dean Froelich agreed with Mr. Prolo that changing the word to "may" would not necessarily change how things are being done, but it does create anxiety for the group with the least employment security of the three groups on campus. Ms. Jane Hochberg advised that the original language in the policy said "all nonclassified employees serve pursuant to a contract."

The motion was amended by Mr. Agidius and Ms. McGee to change the word back to "may" under 1.b.i rather than "shall" and insert "if the institution chooses to offer employment contracts to its nonclassified employees, t. The amendment carried (7-0) (Motion #30).

The amended motion carried (7-0) (Motion #29)

Permanent Exhibit #8

10) Policy, Planning and Governmental Affairs

1. Agenda Summary

See permanent exhibit.

2. Progress Report - Eastern Idaho Technical College

Dr. Miles LaRowe presented the progress report.

3. Progress Report - Professional-Technical Education

Dr. Mike Rush presented the progress report.

4. Presidents' Council Report

Dr. Miles LaRowe reported:

- a. Dr. Michael Burke is the incoming PC chair.
- b. On April 2, the Presidents met with the Governor and focused on funding issues.
- c. The April 2 meeting addressed: the IDANET, Strategic Plan for PC, Student Fees, Health Professions Work Force and Idaho Place.

5. Final Reading: Student Health Insurance

It was moved by Mr. Hammond, seconded by Mr. Agidius and carried (7-0) to approve for Final Reading the change to Section III, Post Secondary Affairs, Item P.16 related to Student Health Insurance with the addendum that the change is to be effective July 1, 2003. (Motion #31)

It was clarified that the motion did not preclude any institution from implementing the required insurance at any time prior to July 1, 2003, as that date is a deadline date.

6. Final Reading: State Library Board Appointment

It was moved by Mr. Hammond, seconded by Ms. McGee and carried (7-0) to approve for Final Reading the change to Section IV, Idaho State Library, Item H.1, which clarifies the appointment process for the Idaho State Library Board. (Motion #32)

7. Post Legislative Report

Ms. Randi McDermott reviewed the summary of this year's legislative session and asked the Board for direction on how and what they wanted staff to follow up on before the next session. Ms. McDermott asked Board members to advise if there are any issues they wanted the staff to begin working on for the next session. Mr. Hall said one of the items might be rewards and sanctions relating to Accountability and whether any legislative action is required.

Mr. Hall asked that follow up reports include information on action items as they are completed and what is needed to implement a plan of action on items not completed.

Mr. Manning suggested the Board and Legislature look at issues relating to school redistricting laws.

8. Other

- a. Mr. Hammond will lead future PPGAC reports.

Permanent Exhibit #s 9 and 10

11) Good of the Order

- a. Mr. Manning asked the institutions to address some of the concerns brought forth by students at the fee input session.

ADJOURNMENT: April 10, 6:00pm-7:30pm
April 11, 7:00am-4:30pm

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