



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

**OFFICIAL MINUTES
STATE BOARD OF EDUCATION MEETING
December 11-12, 2002
Idaho State University - Pocatello, Idaho
Salmon River Suite**

A regular meeting of the Idaho State Board of Education was held on December 11-12, 2002 in Pocatello, Idaho. The meeting began at 8:00 a.m. President Blake Hall presided. The following members were present:

Blake Hall, President
Rod Lewis, Secretary
Paul Agidius
Karen McGee

Jim Hammond, Vice President
Marilyn Howard, State Superintendent
Darrell Manning
Laird Stone

BOARDWORK

1. Agenda Review / Approval

Board member Howard requested that Item F. on the State Department of Education agenda related to Annual Yearly Progress be removed. Board member Manning requested that Item 8 on the BAHF – Finance agenda be moved to the beginning of that portion of the agenda. Additionally, he requested addition of the BSU Head Coaching Contract and a request from BSU for Millennium Funds to the BAHF agenda.

MS (Hammond / McGee): To approve the agenda as amended. *The motion carried unanimously.*

2. Rolling Calendar

MS (McGee / Hammond): To approve December 4-5, 2003 as the dates and Idaho State University as the location for the December 2003 regularly scheduled meeting. *The motion carried unanimously.*

Board member Hall advised that the April meeting location needed to be revisited due to construction at CSI at that time. There was general consensus to pursue a meeting at the Idaho School for the Deaf and the Blind.

Board member Hall notified the Board that its Joint Finance-Appropriation Hearings have been set and the January meeting dates can be set to coincide with the hearings.

MS (McGee / Hammond): To approve January 20-21 as the dates and Boise as the location, with one day in the Statehouse Gold Room and one day at BSU, for the regularly scheduled January 2003 Board meeting. *The motion carried unanimously.*

3. Minutes Review / Approval

MS (Hammond / Stone): To approve the minutes of the October 3, 2002 and November 22, 2002 meetings, with removal of “uphold” under item 5 on page 3 of the October minutes. *The motion carried unanimously.*

OPEN FORUM

1. Chris Mathias, ASBSU President, spoke to the Board about pursuing faculty salary equity.
2. Rick Hachtel, ASBSU Lobbyist, spoke to the Board about the ASBSU legislative agenda.
3. Jennifer Redford, ASLCSC, spoke to the Board about involving students in plan for student fees.
4. Ben Estes, Idaho Fire Chiefs Association, outlined his concerns over the Idaho emergency services training program.
5. Richard Kearns, Professor Idaho State University, addressed the Board on current credit requirements for teachers in health and physical education.
6. Mason Fuller, ASUI President, introduced himself to the Board and addressed the Board on student interest in the student fee plan.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

1. Progress Report: Idaho State University

Dr. Richard Bowen gave the progress report for ISU.

2. Progress Reporting

Staff presented a new plan for receiving progress reports from the Board governed agencies (Division of Vocational Rehabilitation, the Division of Profession-Technical Education, and

Idaho Educational Public Broadcasting) and the Idaho School for the Deaf & the Blind. The new approach would require periodic reports to the executive director that outline major issues and major accomplishments among other things. Oral presentations to the Board would be scheduled only upon request by the Board.

A discussion ensued regarding how the colleges and universities would proceed with progress reporting. There was general agreement that the annual presentations on progress from whichever campus is hosting the Board meeting should continue. There was also interest shown in building on the annual evaluation process such that the Board gets more time set aside with each of the presidents.

3. Presidents' Council Report

Dr. Burke noted that the Presidents have been developing a plan to help guide future fee increases. He recommended, on behalf of the Council, that the fees be indexed to fee levels at peer institutions with a range that provides fees would be no less than 95%, but no more than 105% of the average of a given institution's peers. He suggested this approach be phased in over a three to five year period with delegation to the presidents to be in compliance with the approach over time rather than coming forward to the Board for approval annually.

Dr. Burke stated that it would be important for the institutions to review the currently designated peer lists, with continual reviews on a periodic basis, before going forward with such an approach.

Board member Hall noted that if this approach were deemed satisfactory, he would want the Board to have the ultimate approval authority over the peer lists and also whatever range for the fees relative to the peers that would be established.

Dr. Hoover noted that looking at peer averages will be a moving target and data will be a year behind; however, the approach offers more meaning than the system currently in place.

Board member McGee noted that she likes the idea and would appreciate a method that will make fees more predictable. Board member Agidius noted that if peers are selected and approved for this, they should be the peers used for all other purposes as well.

Board member Lewis expressed concern that this approach could result in ever-increasing fee levels without regard for the actual costs or burden. He stated that the Board should also look at other factors like ability to pay and costs to the institution. Board member Agidius noted that students will want to know what they are getting for the increases in fees, so it will be important to be able to respond.

Dr. Hoover noted that as this approach has been discussed, so has a plan for increasing access scholarships to go hand-in-hand.

Board member Hall shared Mr. Lewis' concern, and noted the importance of seeing the details of this proposal before setting percentages or moving forward.

Board member Manning noted this could provide a good tool to the Board, but noted that it is the Board's responsibility to set the fees annually, and he would not want to delegate that responsibility. He added that this could be one of several tools or factors the Board could consider or use when setting fees.

Board member Hammond requested that the presidents come back with more detail on this approach, plus with details on other approaches that have been considered with information on what is useful or not useful about each. Board member Lewis agreed, stating that he wants also to preserve the right to look at other factors and insert cost realities into the process.

Dr. Bowen noted that the fee levels have been affected a great deal by the level of state support, and that it is a policy issue when the cost for higher education is shifting from the state to students.

Board member Hammond noted that a planned approach would be intended to provide the Board with more information on which to base the decision and determine the appropriateness of proposed increases. He noted that there will be further discussion on this once a detailed proposal is received.

4. Professional-Technical Education Subcommittee Report

Staff explained that the Professional-Technical Education Subcommittee was formed in Spring 2002 to ensure the delivery of professional technical education is structured in the most cost effective and efficient manner possible. The Subcommittee has adopted four initial goals, which provide for functional realignment of the current responsibilities of the Division of Professional-Technical Education and a clarification of responsibilities of the newly expanded Office of the State Board of Education, the Division and the institutions and schools.

The agenda materials also includes proposed actions with each goal. The inclusion of these actions is intended to provide information on the sorts of things that the executive director may do to implement each goal; however, they are not "set in stone" as written and the executive director would exercise discretion and may revise them as necessary in the implementation process. For example, goal 3, action 2 on page 11 would need to be clarified further since the Division will still have an advocacy role for their budget. Additionally, the creation of one administrative unit with separate budgetary divisions within OSBE has great potential for increased efficiency through shared resources; thus, the Board may want to consider the same action for other agencies under the Board.

MS (Hammond / Manning): To approve the goals as established by the Professional-Technical Education Subcommittee and direct the executive director to initiate actions necessary for implementation. Additionally, this implementation should include the division of Vocational Rehabilitation and Career Information Systems along with the Division of Professional Technical Education as budgetary subdivisions of the Office of the State Board of Education reporting to the Board's executive director. *The motion carried unanimously.*

5. Request to Serve Alcohol-Holt Arena

Staff explained that there is a request to serve alcohol at Holt Arena during the Dodge National Circuit Finals Rodeo, and introduced Mark Villano, President of the Rodeo and Intermountain Beverage, who provided further explanation for the request.

MS (Hammond / McGee): To approve the request to serve alcohol at Holt Arena during the Dodge National Circuit Finals Rodeo scheduled for March 12-15, 2003. A vote was not taken.

Board member Hall stated that he believes the Board rules currently in place do not allow for a waiver such as this. Board member Hammond suggested that the Board should review the rules in place related to alcohol on campus and provide revisions that allow for waivers such as this given that the Board has granted them to other institutions in the past. Board member McGee agreed, but added support for approving the request before the Board today and noted the positive impact the Rodeo has on the Pocatello economy and the interest the community has in ensuring it stays in Pocatello. A discussion ensued regarding the lease agreements between the University and the Rodeo and how legal liability and indemnification are handled in the agreements.

Kevin Satterlee explained the procedure that was used in previous waivers of this rule, including the development of official findings of fact.

MS (Hammond / Lewis): To table consideration of this item until findings of fact and conclusions of law are developed and provided to the Board. The motion carried unanimously. (see page 9 for further action on this item)

Board member Hall directed staff to pursue changes to the rule that will either clarify the waiver process or allow for alcohol to be served under certain circumstances.

6. Pending Rule Change – 47.01.01 Division of Vocational Rehabilitation

MS (Hammond / Stone): To approve as pending rules 47.01.01 Division of Vocational Rehabilitation with changes as indicated. The motion carried unanimously.

7. Proposed Legislation - Eastern Idaho Technical College

Dr. LaRowe, EITC, explained that Rep. Lee Gagner is interested in proposing legislation that would allow EITC to receive funds from the State Liquor Account in the same amount as the two community colleges currently receive. He stated that EITC would use the additional funds for general operations. Dr. LaRowe explained that the proposal arose out of concern for the financial affairs at EITC and especially salary disparities among staff there as compared to comparable staff at the community colleges.

Board member Lewis expressed concern over the impact of the Board supporting such a measure, and wondered if it creates a situation whereby EITC is treated as a community college.

Board member Agidius noted that the Board is looking at higher education delivery statewide and that this proposal should wait until the bigger issue is looked at.

Board member Lewis expressed concern over the process. He stated that if there are funding concerns at EITC, they should come through the Board's regular budgeting process and not through separate legislation.

Board member Hall stated his support for the measure and noted that the funds that would be allocated to EITC have been allocated to debt service in the past. Now that the debt service is retired, the funds become available for another use, which should be education. He noted that the Board had precluded EITC from asking for enhancements during the Board's budget request process, and that at that time, they were not aware that this funding source would become available.

Board member McGee agreed that the funds should be used for education; however, she stated concerns with the process being used.

Board member Hammond wondered if approving this measure would send the message to other institutions that they should do the same.

Board member Lewis suggested that the Board encourage Rep. Gagner to try for a large amount of new dollars for all of the higher education institutions, but then the Board should be responsible to allocate it among them.

MS (Hammond / Manning): To support legislation providing additional funding to EITC from the State Liquor Account. *The motion failed 3-5.*

8. Proposed Legislation – Deferred Compensation

Staff explained that Idaho Code currently allows state employees to participate in 457 (b) deferred compensation programs. The Board of Examiners, which currently has the authority to regulate the deferred compensation programs for state employees, has designated the only approved carrier to be PEBSCO. The institutions are seeking Board support to assist the local counsel for TIAA-CREF and VALIC in proposing a change that would expand carrier options for deferred compensation plans.

Buster Neel, BSU, explained that since there have been no raises and employees are being asked to do more, this is a small benefit that the institutions would like to provide. Allowing TIAA-CREF and VALIC the opportunity to offer deferred compensation programs creates convenience for employees who use one of these two companies for their retirement program.

Board member Manning wondered why the institutions have not worked through the system in place. He noted that he serves on the advisory committee for the current contract and does not

remember anyone coming and asking PEBSCO to expand their portfolio. He noted that the current system works well, but may not work as well if the number of subscribers is lessened.

Board member Hall wondered if the request had been taken to the Board of Examiners to see if they would change the contract instead of changing the law.

Keith Hasselquist explained that there were some changes in federal tax law that created a new option for employees relative to deferred compensation. He noted that it would be convenient for Board employees enrolled in the optional retirement plan, which is carried by TIAA-CREF And VALIC, to have these companies also handle their deferred compensation plan. He noted that a formal request has not been made to the Board of Examiners to consider this; however, informal discussions have not been promising.

MS (Hammond / Manning): To instruct staff to work with the institutions to develop a more thorough proposal for the Board that may be forwarded to the Board of Examiners for consideration if we so choose. *The motion carried.*

INSTRUCTION, RESEARCH & STUDENT AFFAIRS

1. Notices of Intent – Program Discontinuances and New Ph.D. programs at UI

Dr. Pitcher noted that this item is a notice of intent, and that UI would bring it back for final consideration at the next meeting.

MS (Lewis / McGee): To approve the University of Idaho's Notice of Intent to discontinue Mining and Geological Engineering. *The motion carried unanimously.*

Dr. Pitcher presented the UI's notices of intent to offer new Ph.D. programs.

Board member Lewis wondered if there was a fiscal impact on the other institutions in the state. He noted these areas have garnered interest from the other institutions, and he wanted to be sure there was full understanding of how offering these programs at the UI may impact the other institutions, or how they may be involved in the offerings. He continued that he wants to see development in these areas, but wants to ensure that one institution does not impede another from developing in these same areas in the future.

Dr. Pitcher noted that the fields are large and there is room for all institutions to offer programs in these areas, and that planning will proceed with this in mind.

MS (Lewis / Hammond): To approve the University of Idaho's Notices of Intent to offer a Ph.D. program in Bioinformatics, Environmental Science, and Neuroscience and to direct the University of Idaho to come forward with full proposals for these Ph.D. programs. *The motion carried unanimously.*

2. Final Reading - Section III.E. - Certificates and Degrees

MS (Lewis / McGee) To approve the final reading of the Board's Policy Section III.E.,

Certificates and Programs. *The motion carried unanimously.*

3. Promise B Scholarship

Board member Lewis explained that we have less students than anticipated who are eligible for the scholarship this Spring, thus the Board can raise the amount to the maximum allowable by law. Board member Hall noted that one of the reasons this is on the agenda is at the request of Governor Kempthorne to have this amount increased. He also acknowledged the Legislature for its support of the program.

MS (Lewis / Agidius): To approve the recommendation to increase the Idaho Promise Category B Scholarship to \$250 for the Spring 2003 semester. *The motion carried unanimously.*

4. Health Professions Nursing Subcommittee Update

Randy Thompson provided an update on the Health Professions Nursing Subcommittee. He noted a need to develop a more effective way to gather data on the demand in health professions, to expand nursing seats, and to focus on retention efforts that would help delivery in rural settings.

Board member McGee expressed interest in getting accurate data in this area. She noted that the Department of Labor has data from federal level, and the Board could partner with them to assist in identifying shortage areas. She also noted the importance of ensure K-12 schools are focused to help kids get interested in nursing early on. Board member Howard noted that counselors are a good source, and that partnership with K-12 is critical.

Board member Lewis stated that the goals are laudable, but warned against creating too many committees, and encouraged keeping the workforce center initiatives within one discussion body.

5. Praxis II / Teacher Education Update

Randy Thompson provided the Board with an update on the Praxis II requirement currently in place for preservice teachers. He noted that this requirement will eventually need to be a certification requirement.

6. Assessment & Accountability Update

Board member McGee updated the Board on the work to establish cut-off or proficiency scores for the ISAT. She also noted that teachers are continuing to develop new Idaho standards based questions. She showed the Board the toolbook that the J.A. & Kathryn Albertson Foundation issued for the incentive program based on the ISAT.

Board member Howard noted that there is also work being done on adequate yearly progress. She noted the concern for high performing schools being put at a disadvantage because of limited growth potential.

Board member Hall added a note of thanks to teachers and administrators around the state who have stepped up to the plate and worked with the Board and State Department to make the new assessment system work.

7. No Child Left Behind Review

Mike Friend, IASA, Cliff Green, ISBA, and Jim Shackelford, IEA, presented to the Board on their interest in the coordination of the efforts related to assessment and accountability, Idaho's MOST, and new federal requirements in an attempt to maximize performance and minimize negative impact. They distributed a graph showing the various initiatives and where they will all come together. A discussion ensued on the coordination of these efforts.

Board member Lewis wondered how the effort by the stakeholder groups is being coordinated with groups that the Board has in place. Board member Hall stated he would like to ensure there is no conflict among the efforts. He took action to appoint a subcommittee of the Board intended to coordinate this activity and ensure the Board is informed so that we can be sure of all of the implications of Board policy recommendations with the federal requirements. He appointed Board members Karen McGee (Co-Chair), Jim Hammond (Co-Chair), Rod Lewis and Marilyn Howard to the subcommittee.

Request to Serve Alcohol-Holt Arena

MS (Hammond / McGee): To remove from the table action related to serving alcohol at Holt Arena (PPGAC Item 5). *The motion carried unanimously.*

MS (Hammond / Stone): To adopt the findings of fact and conclusions regarding the request to serve alcohol at Holt Arena, and to approve the request to serve alcohol during the Dodge National Circuit Finals Rodeo scheduled for March 19-22, 2003. Additionally, the agreement to be finalized by ISU shall include indemnity not only to use of facility but also to provision of alcoholic beverages. *The motion carried 6-2 (Hall, Manning dissented).*

BOISE STATE UNIVERSITY PRESIDENTIAL SEARCH UPDATE

Board member Lewis updated the Board on progress in the presidential search at BSU. Board member Hall asked that the Board's thanks be extended to the members of the screening committee for agreeing to serve and for their commitment to the process.

BUSINESS AFFAIRS & HUMAN RESOURCES

Section I – Human Resources

1. Boise State University - New Positions, Change in Positions

MS (Manning / McGee): To approve the request by Boise State University for nine new positions and change to an existing position as detailed in their Human Resources agenda. *The motion carried unanimously.*

2. Idaho State University – New Positions, Change in Positions

MS (Manning / Agidius): To approve the request by Idaho State University for five new positions and FTE changes to two positions as detailed in their Human Resources agenda. *The motion carried unanimously.*

3. University of Idaho - New Positions, Deleted Positions, Appointments

MS (Manning / Lewis): To approve the request by the University of Idaho for two new positions, deletion of one position, and a nondelegated appointment of the provost to the position of acting president for a six-month term beginning March 2003. *The motion carried unanimously.*

4. Lewis Clark State College – New Positions

MS (Manning / Agidius): To approve the request by Lewis-Clark State College for nine new positions totaling 7.95 FTE. *The motion carried unanimously.*

5. Final Reading - Section II.M.2.b. - Grievance and Appeal Procedure

MS (Manning / Stone): To approve the final reading of Section II.M.2.b. clarifying Employee Appeal Procedures for Appeals to the Board as presented in EXHIBIT A. *The motion carried unanimously.*

6. Multi-year Contract – Boise State University Head Football Coach

Board member Manning summarized the proposed contract terms. He noted that the additions over and above the current contract are being paid totally with private and Bronco Athletic Association (BAA) funds. He introduced Gene Bleymeier, BSU; Allen Dykman, former BAA President and current BSU Foundation President; Dick Libby, current BAA President; and Milford Terrell, former BAA President and also President of Humanitarian Bowl, who came to speak in favor of the contract.

Board member Hall stated that there are no additional salary dollars coming from state appropriated funds. He wondered how the additional compensation from season ticket sales was being classified. Dr. Ruch stated those are considered local funds. He added that although revenue from ticket sales could be used for academic programs, it would be difficult to continue selling season tickets if revenue is used for something other than athletics.

Gene Bleymeier spoke to the issue of academic incentives in the contract. He noted that ten years ago, BSU came up with idea to include an academic incentive in coaching contracts, and that it has worked well. BSU received an award earlier this year for getting the highest graduation rates among student athletics. Academic incentives are the same for all athletes. In football, there are ten assistant coaches, so the real cost is \$25,000 for the football program if the incentive is met.

Dr. Ruch spoke to reasons why Coach Hawkins is worthy of this level of commitment. He noted that he meshes well with Boise State. He and his family are involved in community. He clearly cares about student athletes. He stated that BSU wants to make a long-term commitment with him to take him off of the market and in hopes he will stay with the University for many years to come. Mr. Dykman, Mr. Terrell and Dr. Libby also offered their reasons for wanting to invest in Coach Hawkins.

Gene Bleymeier explained further the terms of the contract, and how the funds to cover it have been secured.

Board member Lewis congratulated those present for their support of the contract, and for the quality of the program overall.

MS (Manning / McGee): To approve the request by Boise State University to extend a multi-year employment contract to the Bronco Football Head Coach as presented. *The motion carried unanimously.*

Section II – Finance

1. Deloitte and Touche – Annual Financial Audit

Glen W. Storer presented the financial audit reports to the Board.

MS (Manning / Stone): To accept the FY2002 financial audit reports for the University of Idaho, Boise State University, Idaho State University, Lewis-Clark State College, and Eastern Idaho Technical College, as presented by Deloitte & Touche LLP. *The motion carried unanimously.*

2. Boise State University – Purchase of Property and Request for Millennium Funds

Board member Hall wondered how the institution could afford to purchase this while they are cutting course offerings. Buster Neel, BSU, explained that the University is establishing a line of

credit making it so the institution can borrow to obtain this property. He noted that the desire to purchase it comes down to balancing needs and not wanting to forego an opportunity that would have long-term benefits to the campus. He stated that the property will likely be used for an auxiliary enterprise, which would be expected to generate enough income to operate on its own.

MS (Manning / Stone): To approve the request by Boise State University to continue expanding the area of the Boise Campus by purchasing real property at 1240 South Capitol Boulevard for \$615,000. *The motion carried unanimously.*

Buster Neel explained that BSU is seeking Board approval to allow the institution to request Millennium Funds from the Legislature. This request was mistakenly not brought to the Board through the regular budget approval process. It is not part of the regular state appropriated budget request, thus, it was overlooked and failed to come through the Board's request process.

Board member Lewis noted that this exception is different from the request the EITC brought earlier today. He noted that the message to EITC was not simply that they needed to be within budget request timelines, but that they were completely outside the process with a separate request from an individual Legislator.

MS (Manning / Stone): To approve the request by Boise State University to include a one-time Millennium Fund request in the amount of \$109,000 in the FY 2004 operating budget request. *The motion carried unanimously.*

3. Idaho State University – Idaho Accelerator Addition; Energy Performance Contract

MS (Manning / Stone): To approve the request by Idaho State University to construct an addition of 3,500 square feet to the Idaho Accelerator Center at a total cost of \$800,000. *The motion carried unanimously.*

MS (Manning / Stone): To approve the request by Idaho State University to approve the energy performance contract concept and financing; to finalize a contract through the Department of Public Works; and to delegate final approval of the contract and financing arrangements to the Executive Director. *The motion carried unanimously.*

4. University of Idaho – Disposal of Real Property; Disposal of Clark Fork Campus; USGS Lease; Idaho Water Center; Series 2003 Bonds; Projects in Support of Strategic Plan and Development Plan; Audits

MS (Manning / McGee): To approve the request by the University of Idaho to convey title to 0.411 acres of property to the State of Idaho, Idaho Transportation Department to allow for improvements to US Highway 95 along the eastern boundary of the University of Idaho in Moscow. *The motion carried unanimously.*

MS (Manning / Stone): To approve the request by the University of Idaho to market and sell its 35.27-acre parcel, Clark Fork Field Campus, east of Sandpoint. *The motion carried unanimously.*

MS (Manning / Agidius): To approve the request by the University of Idaho to enter into a 10-year lease of 3,786 rentable square feet with the U.S. Geological Survey at the University of Idaho Research Park in Post Falls. *The motion carried unanimously.*

Dr. Hoover addressed the Board relative to the Idaho Water Center facilities lease, operating agreement and parking access agreement. Dr. Bowen also addressed the Board, adding that ISU is also committed to occupying a health sciences building at Idaho place.

Board member Hammond stated, for the sake of the public and the Board, that he has been advised by counsel that because of his service on the Idaho State Building Authority, Board policy provides that he has a conflict of interest and he cannot vote on these agreements.

Board member Lewis commented that the “devil is in the details,” and that he is taking the position that the Board does not know the details. There are so many questions to be asked and answered, and there is inadequate time today to do it. He noted that as he has gotten into the details of these contracts, there is an increasing degree of discomfort with the financial arrangements and contractual arrangements, and how these arrangements fit with Board policy. He continued noting an increased sense of discomfort over the amount of debt that the UI is taking on and the impact it could bring to the institution. One issue that is clear is that bonds are to be backed by generally appropriated funds. Originally was to be backed by Foundation. The Board had concerns over the Foundation building buildings, but these have now evolved to something that was not anticipated, which is a bonding mechanism backed by general funds. He stated that given the complexity of the issue, it would be appropriate to hold an all day meeting as soon as possible to review all of the details of these contracts and get a clear understanding on all aspects of financial impact, debt load, policy, etc. A discussion ensued regarding whether to continue with a discussion today or set up a separate meeting at a later date.

MS (Manning / Stone): To postpone consideration of the Idaho Water Center agreements pending a special meeting to be held on December 17, 2003 in Boise to discuss the total project and policies needed for a joint operation of this kind. *The motion carried 5-2-1 (Howard, Agidius dissented, Hammond abstained).*

Board member Hammond asked that staff review and bring forward necessary revisions to policy that would allow all Board members to actively participate in this issue. Board member Hall asked that the review and revision take place this evening so that a first reading can take place tomorrow.

The Board turned its attention to the request from UI relative to Series 2003 Bonds. Jerry Wallace, UI, presented the item.

MS (Manning / Stone): To approve the request from the University of Idaho to issue the Series 2003 Bonds as a component of the University of Idaho's Strategic Plan to be secured by Pledged Revenues, as amended to include F&A Recovery Revenues. *The roll call vote was unanimous.*

Jerry Wallace presented the request for approval of construction projects in support of the strategic plan. He noted that the projects are those just discussed relative to the 2003 Series Bonds.

MS (Manning / Stone): To approve the request by the University of Idaho for four construction projects in support of the university Strategic Plan and the Long-Range Campus Development Plan (LRCDP), together with approval to execute architectural/engineering services and construction contracts to accomplish the projects. *The motion carried unanimously.*

5. Idaho School for the Deaf and the Blind Audits and Financial Reports

This item was provided to the Board for information. No action was taken.

6. Eastern Idaho Technical College Foundation Audit

This item was provided to the Board for information. It was noted that copies of the audit can be obtained at the Board office.

7. Intercollegiate Athletic Reports

Keith Hasselquist clarified policy on athletic spending limits. He noted that there are different amounts from each institution because the policy, when drafted, was based on the recent history of what each institution was spending.

Board member Lewis stated that the Board should evaluate these amounts on a regular basis to ensure the approach continues to be fair. Board member Hall asked the Subcommittee on athletics to include review of this policy within their work.

Officials at the UI and LCSC spoke to the deficits shown for their respective institutions and addressed how they will be erased.

MS (Manning / Stone): To accept the Annual Intercollegiate Athletics Reports as presented. *The motion carried unanimously.*

8. Intercollegiate Athletic Department

Keith Hasselquist noted one correction to the report on Athletic Department Employee Compensation, which is that the assistant football coach at BSU does not have a multi-year contract. He noted that only head coaches may have multi-year contracts.

Board member Lewis requested that the institutions who do not currently offer academic

performance bonuses consider them. Board member Hall asked the athletic subcommittee to explore whether there is a difference in academic performance at institutions that offer bonuses and those that do not.

EXECUTIVE SESSION

MS (Hammond / McGee): To enter into executive session pursuant to Idaho Code section 67-2345 (1) (a), (b), (c), and (f). *The roll call vote carried 7-1 (Agidius dissenting).*

The Board met in executive session to consider hiring a public officer, employee, staff member or individual agent; 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; to conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency; and to consider and advise its legal representatives in pending litigation or where there is a general public awareness of probable litigation.

The Board adjourned for the day at approximately 8:00PM. They reconvened Thursday morning (12/12/02) at 8:30AM.

MS (McGee / Agidius): To support the amendment to UI Foundation's compensation agreement with Dr. Hoover. *The motion carried unanimously.*

DEPARTMENT OF EDUCATION

A. Letter of Authorization Requests

MS (Howard / Stone): To approve the requests for Letters of Authorization as submitted by the Professional Standards Commission. *The motion carried unanimously.*

B. Petition to Redefine Trustee Zones

MS (Howard / Stone): To approve the proposal from Salmon School District No 291 to redefine their trustee zones. *The motion carried.*

C. Report of Election and Order to Transfer Property from Grangeville Jt. School District No. 241 to Cottonwood Jt. School District No. 242

MS (Howard / Stone): To approve the order to transfer property. *The motion carried.*

D. Report of Election and Order to Transfer Property from Plummer-Worley Jt. School District No. 44 to Coeur d'Alene School District No. 271

MS (Howard / Stone): To approve the order to transfer property. *The motion carried (Stone dissented).*

E. Program Reviews, BYU Idaho

Dr. West presented the item. He noted that following conditional approval by the Board, a new team will conduct a final review and full approval will be sought.

MS (Howard / Stone): To approve the recommendation by the Professional Standards Commission for conditional approval of all teacher preparation programs at BYU Idaho. *The motion carried unanimously.*

F. Annual Yearly Progress Formula

This item was removed from the agenda.

G. Proposal for Certification Fee Increase

Bob West, SDE, presented the proposal to raise fees for teacher certification. He noted that the Professional Standards Commission held hearings on the proposed increase, and that the Idaho Education Association is supportive of the increase. Board member Hammond added that the increase is important in order for the Professional Standards Commission to have adequate resources to carry out the policy recommendations and continue the work started by Idaho's MOST. He also noted that he did not believe the increase was high enough in comparison to what other professions pay for licensure.

Board member Hall agreed, but suggested that the proposal be set up to allow the Board to set the fees in the future, rather than going to the Legislature and changing the law each time an increase is sought. Board member Howard indicated she had no concerns with the Board setting the levels, as long as an increase is included this year such that there are adequate resources to meet new demands and carry out new policies once they are in place.

MS (Howard / Hammond): To approve moving forward with creating a proposal for the legislature relative to teacher certification fees. *The motion carried unanimously.*

H. Presentation of the Public Schools Budget for FY 2004

Tim Hill, SDE, presented the budget request. Board member Howard explained the requested increases in staff allowance will not fund all who are hired by districts, but will be more reflective of reality given the number of new expectations being placed on schools. She also explained other parts of the request. Board member Howard noted that the request does comprise an increase in funding and contended it is her job as Superintendent to identify and advocate to the Legislature what the needs are in public education.

Board member Lewis inquired as to whether new federal funds received under the No Child Left Behind Act could be used to help defray some of the state expenses in this budget. A discussion ensued regarding the flexibility with the federal dollars.

Board member Hall noted that there is general knowledge that funds are not available for an

increase in funding this year, and that it is unfair to allow public schools to go forward with a request for an increase when the higher education institutions were not permitted to.

MS (Manning / Hammond): To approve the request by the Superintendent of Public Instruction, and the Public School Coalition, to endorse and support the Public School Budget Request for FY 2004 if funds are available. *The motion carried 4-3 (Hall, McGee, Lewis dissenting).*

I. Superintendent's Report

Board member Howard updated the Board on the activities currently ongoing at the State Department of Education in preparation for the Legislative session.

PRESENTATION ON SCHOOL FACILITIES LAWSUIT

Mike Gilmore provided an update to the Board on the School Facilities Lawsuit.

Being no further business, the Board adjourned at 12:05p.m.