



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

**APPROVED MINUTES
STATE BOARD OF EDUCATION MEETING
January 26-27, 2004
Boise, Idaho**

A regular meeting of the Idaho State Board of Education was held on January 27-28, 2004 in Boise, Idaho. The meeting was called to order at 1:00 p.m. in the Gold Room of the State Capitol Building. President Blake Hall presided. The following members were present:

Blake Hall, President
Rod Lewis, Secretary
Karen McGee
Laird Stone

Jim Hammond, Vice President
Marilyn Howard, State Superintendent
Paul Agidius
Milford Terrell (present only on January 27)

BOARDWORK

1. Agenda Approval

M/S (Hammond/McGee): To approve the agenda. *Motion carried unanimously.*

2. Rolling Calendar

M/S (Hammond/Lewis): To approve the rolling calendar and hold the regularly scheduled January 2005 Board meeting in Boise on dates that coincide with the Board's JFAC Presentation. *Motion carried unanimously.*

3. Minutes Review / Approval

Referring to the top of page six of the December 4-5 minutes where the motion related to the POW-MIA scholarship was made, Board member Howard asked the motion be corrected to reflect that she was absent for the vote, not abstaining from the vote.

Referring to the December 4-5, 2003 minutes, Board member McGee directed the Board's attention to pages 14, following the Executive Session motion. She asked that the following language be added:

"The Board considered records that are exempt by law from public inspection and advised its legal representatives in pending litigation or where there is a general public awareness of probable litigation."

By unanimous consent, these changes in the minutes were approved.

M/S (Hammond/Stone): To approve the minutes of the December 4-5, 2003 and December 30, 2003 meetings of the State Board of Education as changed. *Motion carried unanimously.*

OPEN FORUM FOR LEGISLATORS

Board member Hall opened the floor to any Legislators who wished to make comments saying that the floor would remain open throughout the meeting to accommodate the schedules of the Legislators.

INSTRUCTION, RESEARCH & STUDENT AFFAIRS - Rod Lewis

1. ISIMS Update

Board member Lewis introduced Frank Olson of the Albertson Foundation to provide a progress report to the Board on the development of the system.

Mr. Olson discussed the ISIMS statewide system noting the Albertson Foundation committed up to \$35 million dollars over the next five to six years to supervise the project's development and implementation. He said that negotiations with AAL and Plato are complete and letters of agreement have been signed. The Reporting Analytics and Special Populations software evaluations have just been completed. The plan calls for a decision in February to test the prototype with hopes of being able to fully deploy it statewide starting in June.

Mr. Olson said that bandwidth and connectivity to the schools is one of the primary concerns of the project developers. He emphasized the need to maintain and increase funds for technology in the state budget and encouraged the Board to look at partnership support in both of these areas.

Mr. Olson said that in order for the project to move forward past the prototype stage the stipulations in the contracts with AAL and Plato have to be met and the prototype must be demonstrated to work in a small environment first. Only small school districts are being considered for the pilot project because failure at a large district would impact a greater number of schools and require more personnel to provide oversight. Mr. Olson said the state can cancel the contracts if it so chooses at any time, but if that occurs, the software licenses purchased through the contracts would be lost.

Mr. Olsen said Plato is the best curriculum management system that the developers of ISIMS could find. Wayne Rush of the Albertson Foundation said Plato does have a testing module, lesson planning and alignment to state standards. He emphasized that it is not curriculum.

Board member Hall thanked Mr. Olson for his presentation.

2. Letters of Authorization

Dr. Bob West of the Department of Education discussed the letters of authorization process noting his presentation was in response to an inquiry at the December 4-5 Board meeting. He said that the application form has been revised to include the detail that provides the rationale for determining a need for issuing a letter of authorization. He provided copies of the form to the Board members.

3. New LEP Committee

Randy Thompson of the Board Office presented an update on the development of a new LEP Sub-Committee. He said that the Board members Hall, Agidius, Lewis and Howard will serve on the sub-committee. Representatives from key groups, including the Native American and Hispanic populations, will participate on the sub-committee.

The Scope of Work of this sub-committee includes: conducting a thorough review of initiatives funding, legislation, etc., to see how well it has worked; examining research data to identify best practices in other states; creating a consistent mechanism for sharing best practices and language acquisition between the school districts; and increasing the number of public school teachers being trained in skills and techniques to meet the specific needs of the targeted populations.

M/S (Lewis/McGee): To approve the Goal and Scope of Work for the LEP Sub-Committee as presented. *Motion carried (Board member Hall was out of the room).*

4. Other Academic Indicator Options

Randy Thompson of the Board Office summarized the need for Other Academic Indicator Options. He said the three areas where indicators are needed to measure Adequate Yearly Progress are: participation, proficiency, validation of student academic growth. He discussed the Indicators from other states that Board staff reviewed as part of the effort to identify an indicator that will provide the maximum benefit to Idaho schools. He noted that the Georgia Model which offers a multiple choice of growth-index methods, allows LEA's to choose and meets the time and federal requirements offered the best approach. He said the budget has a set aside in the event the Board decides it wants to move ahead with this indicator.

Board member Howard expressed a number of concerns about approving this indicator primarily because of the cost involved and the burden it would put on schools due specifically to the Computer Aided Instruction method. Dr. Thompson noted that the Computer Aided Instruction method is one of three options the schools could use. Board member Howard wondered why, if it is only an option, the state should pay 3.5 million dollars this year and more next year for a test that the districts wouldn't be required to use.

Board member Howard said there is already a test in place to measure adaptive growth index, fall-to-fall and asked why the Board would want to incur additional costs for a duplicative program.

Board member McGee said that the consideration of other models was to allow districts a choice and to enable the SBOE to provide assistance to the districts.

Board member Stone asked what the State Department of Education recommended. Board member Howard said the Department of Education has been trying to suggest other formulas. She explained that growth can be shown in several ways. One method is by using the below basic-to-basic measurement and another method is to show the progress made in moving up to advance. Neither of these methods has a cost to them and could be implemented right away. That would allow the 3.5 million dollars to be used to replace money in technology so there is a system that works at the district level.

Board member Lewis asked if this item required a decision at this meeting and Gary Stivers of the Board Office said the Legislature asked for clarification on how the dollars would be spent which made it necessary to make a decision at this meeting.

M/S (Howard/Agidius): To approve the below-basic-to-basic and proficient-to-advanced as the third academic indicator.

Board member Stone asked to see the slide from the presentation that showed the Growth Index Model (which includes Percent Advanced, Percent below Basic, and Computer Aided Instruction). It was noted that Board member Howard's motion doesn't include the Computer Aided Instruction.

Board member Agidius asked if there was any problem in coming back later to add Computer Aided Instruction. Dr. Thompson said that the point Mr. Stivers raised about ear-marking funds for the Legislature makes that a problem. Board member Stone observed that by adding the Computer Aided Instruction the Board would be providing a response to the Legislature today.

Board member Lewis said that the model presented by the Board staff adds choice. Feedback has indicated that Computer Aided Instruction is an effective tool. As to saving \$3.5 million, federal money has been provided for this purpose. At this time he made a substitute motion.

M/S (Lewis/McGee): To approve the growth index as proposed the other academic indicator for the state's accountability plan. *Motion carried 4-1 (Howard dissented and Hammond and Hall abstained because they were out of the room during the discussion).*

At this time Representative Patty Lodge was invited forward to make remarks. She introduced herself, saying she had been a school teacher for many years. She said she would like to see the following things: all students having the option, when they are able, to finish quicker; students in the juvenile system traced so they can continue their education while in custody; Idaho tie having a driver's license to school success as well as attendance; a strong mentoring program in place for teachers; remedial classes taught evenings in the high schools so that the college classrooms would be freed up.

Representative Joseph Cannon was invited forward to make remarks. He observed that we all have tough decisions to make and encouraged that as the decisions are made the Board “never lose sight of the baby.”

Representative Wendy Jaquet was invited forward to make remarks. She expressed concerns about the Governor’s budget regarding technology and encouraged the SBOE to look at that as an issue. She remarked on the reading indicator and the money that could be saved by not using the computer aided instruction piece. She encouraged the Board to look at inner city program models for the LEP.

Representative Steve Smylie was invited forward to make remarks. He said he was speaking as a teacher, not a Legislator. He thanked the Board for their proactive work and reminded them to keep in mind as they go forward with changes that there is a lot of uneasiness out there. He noted that testing takes time away from teaching in many cases.

Senator Mel Richardson was invited forward to make remarks. He spoke about his concern regarding technology. He said the goal was to get enough technology into the schools so that technology could become part of the lesson. He said that there is a shortage of equipment in the classrooms so even though teachers have the training and the desire, they aren’t able to use what they’ve learned. He is concerned about where the money will come from to maintain and grow the programs. He offered his assistance to the Board in solving these problems.

Representative Robert Ring was invited forward to make remarks. He expressed his strong support for the charter school concept and encouraged the Board to continue their efforts in this area.

5. New Graduate Program – Notice of Intent, Master of Science Program in Geographic Information Science

Jonathan Lawson of Idaho State University briefly discussed various aspects of this program proposal.

M/S (Lewis/McGee): To approve Idaho State University’s Notice of Intent for a Master of Science program in Geographic Information Science and direct ISU to come forward with a full proposal for this graduate program. *Motion carried (Board member (Hall was out of the room)).*

6. New Graduate Program – Full Proposal, Ph.D. Program in Food Science and Toxicology

Brian Pritcher of the University of Idaho discussed the various aspects of this program proposal noting that approval by the Board will allow Idaho to keep Idaho students in Idaho.

M/S (Lewis/Agidius): To approve the University of Idaho’s new Ph.D. program in Food Science and Toxicology. *Motion carried (Board member Hall was out of the room).*

At this time Board member Stone moved to add to the IRSA agenda an item on the Temporary Rules for Charter Schools. Mr. Hammond so ordered that this agenda item be added. Mr. Stone moved that the Board take a brief break to determine what order in the agenda this item should appear. When the Board reconvened Board member Lewis moved to this item for discussion

M/S (Stone/McGee): To withdraw the temporary Charter School rules that were adopted at the November 4, 2003 meeting of the Board and authorize Board staff to work with Legislative leadership in pursuing amendments to the Charter School statute. Motion carried (Board members Hall and Agidius were out of the room).

7. Office of Performance Evaluation – Residency Requirements & Pupil Transportation

The Office of Performance Evaluations reported to the Board on the evaluation of residency requirements at state institutions of higher education. Details of the study along with findings and recommendations were provided to the Board in a written report.

Board member Lewis recommend that the Board staff work with the Office of Performance Evaluations to come up with some recommendations to effect the recommendations provided to the Board on residency requirements. Board member Hammond so directed Mr. Stivers on this point.

The Office of Performance Evaluations discussed the pupil transportation costs of school districts. Details of the study along with findings and recommendations were provided to the Board in a written report.

Board member Hammond asked Superintendent Howard about measuring bus rider-ship in such a way that would assure a more accurate count. It was noted that in looking at costs, the number of bus routes, bus occupancies and cost of fuel are also other things that can be looked at to save money in addition to a cap.

At this time Representative Jack Barraclough was invited forward to make remarks. He expressed his concern for charter schools, specifically Liberty Charter School and the Virtual Academy. He asked that the Board work immediately to save those two schools. He commended Senator Gary Schroeder for conducting lengthy hearings last week focusing on education because education is the number one issue in Idaho. He encouraged the Board and the Department of Education to work together collaboratively and make a way to keep differences from becoming divisive or distracting.

Representative Eulalie Langford was invited forward to speak. She provided handouts to the Board and discussed the situation in her area with border schools. She said several schools in her district have to bus schools out of state because of conditions that prevent them from attending schools in Idaho. Her concern is that over \$6000 is paid per Idaho student for them to be bused out of state, yet students that are bused into Idaho from neighboring states pay much less. She asked that the Board find a way to fund this cost from the state level and to negotiate this cost from the state level. Board member Hammond assured Representative Langford that the Board will look into this issue.

BUSINESS AFFAIRS & HUMAN RESOURCES – Jim Hammond

Section I – Human Resources

1. Boise State University

M/S (Hammond/Agidius): To approve the request by Boise State University for one new Technical Records Specialist position (1.0 FTE) in the Risk Management area supported by appropriated funds. Motion carried (Board members Hall and McGee were out of the room).

2. Idaho State University

M/S (Hammond/Agidius): To approve the request by Idaho State University for seven (7) new positions (6.45 FTE) and change to one (1) position from .50 to .75 FTE. Motion carried (Board members Hall and McGee were out of the room).

3. University of Idaho

M/S (Hammond/Agidius): To approve the request by University of Idaho to appoint Dr. John Hammel as Dean of the College of Agricultural and Life Sciences at a salary equal to or greater than 75% of the chief executive officer's base salary. Motion carried (Board members Hall and McGee were out of the room).

4. Lewis Clark State College

M/S (Hammond/Lewis): To approve the request by Lewis Clark State College for one (1) new position (0.5 FTE) in the Office of Grants & Contracts. Motion carried (Board members Hall and McGee were out of the room).

Section II – Finance

1. Optional Retirement Plan

Jeff Shinn updated the Board explaining that this motion item adds an option to the current optional retirement program. Referring to page 13 of the agenda, he reviewed the names of the following people who, if approved, will serve as trustees of the plan: Karen Sparks, Dr. Jack Miller, Jane Kinn Buser. The trustees are an oversight body as required by the IRS.

M/S (Hammond/Agidius): To adopt the Trust Provisions as outlined in Sections 11.1 through 11.21 of Article XI, to be incorporated into the State of Idaho optional Retirement Program (ORP) plan, as administered by the State Board of Education AND to appoint Karen Sparks, Dr. Jack Miller, Jane Kinn Buser as the trustees of that plan and Jeff Shinn as the plan administrator. Motion carried (Board members Hall and McGee were out of the room).

There being no further business, the Board adjourned for the day at 5:15 p.m.

The Board reconvened at 11:50 a.m. on January 27, 2004 in the Hatch Ballroom at Boise State University with all members present.

OPEN FORUM

Christine Reynolds, a parent with the proposed Rolling Hills Charter School, spoke to the Board about the value of charter schools. She compared Idaho's situation with that of Arizona where there is a great abundance of charter schools. She thanked the Board for their efforts on behalf of all those who have children on waiting lists to get into charter schools in Idaho.

Nancy Despain of the Board of Trustees of the Rolling Hills Charter School expressed her support and appreciation to the Board for their support of charter schools. She emphasized the need for more charter schools in Idaho due to the large number of children on waiting lists.

David Morriss of the Boise State University spoke to the Board about concerns regarding student fees and the percentage increase being asked by Boise State University administration. He expressed his concern about the amount of money spent by the Martin Luther King Committee for an event when it could have gone towards education. He also discussed the student radio issue and the amount of money spent on that program. He encouraged the Board to look into those facts before awarding Boise State University the fees they are asking for.

James Skaggs, Boise State University ASB Student Lobbyist, spoke to the Board about student fees and said that a lot of research had gone into the various fees being charged to students. He applauded the BSU administration for focusing on the students in their considerations. He said that their request is valid with the exception of the issues that David Morriss raised.

At this time Blake Hall announced the appointments made to date to the LEP Sub-Committee. They are: Delia Valdez, Linda Christensen, Rogelio Valdez, Don Pena, Ted and Josie Garcia, Irene Chavolla, Dianne Allen and Elmer Martinez. Members from the State Board will be: Blake Hall, Paul Agidius, Marilyn Howard and Rod Lewis.

INSTRUCTION, RESEARCH & STUDENT AFFAIRS – Rod Lewis

1. Idaho State University's Program Offerings in Boise

Richard Bowen, Jonathan Lawson and Linda Hatzenbuehler of Idaho State University reported to the Board about the reasons ISU programs are offered in the Boise area. This was in response to a request for such information at the December 4-5, 2003 meeting. It was noted that program offerings in the Boise area are tied to the mission of Idaho State University which is being a statewide delivery system for health education.

Board member Lewis asked for a breakout of the total enrollments in the various programs in terms of how many of those are actually in Boise. Dr. Lawson agreed to provide him with that information.

Board member Terrell expressed his concern about terms like fast-track, big buildings and collaboration used in the presentation without really defining what was meant. He said that the mission of all the institutions is subject to reconsideration by the Board and suggested that the Board study this and other similar issues with a fresh mind to determine if institutions are expanding for the appropriate reasons.

Dr. Lawson said there are 245 FTE students enrolled this term in the programs presented today (FTE). By the end of the term that number is expected to go to about 300. Ms. Hatzenbuehler said the applicant pool for some programs makes it possible to accept all the applications which fulfill the requirements. The number of clinical sites and the number of faculty are variables in determining the total number of students the program can handle at any one time.

Board member Lewis asked for a breakout of the enrollment categories and for the total number of faculty and the location of that faculty as well. Dr. Lawson will provide that information.

The Board thanked ISU for sharing their progress report noting that this is a continuation of the process of determining what will be most effective. It was noted that the eight year plan of all the institutions will be completed by the June meeting of the Board for consideration.

2. Title IIA – State Directed Activities

Gary Stivers reviewed a chart that showed the distribution process and the delineation of roles and responsibilities in the maintenance of Title IIA K-12 funds in line with the plan developed by the Board.

M/S (Lewis/Agidius): To approve the distribution process as outlined on page 90 of the agenda in the Federal Program Process Chart. *Motion carried unanimously.*

Board member Howard expressed her concern about where the funds will come from to cover the administrative duties of the State Department staff assigned to carrying out the federally required responsibilities. Mr. Stivers reviewed the chart provided in the agenda and discussed the options available for what the federal funds will be expended for and how.

Board member Hall said there seemed to be portions of the plan that could be acted on now, but other portions should wait on the decisions that JFAC makes during this session. He proposed dealing with the federal dollars to the extent possible and wait until JFAC makes a determination and then take action. Mr. Stivers reminded the Board that JFAC had asked for more detail from the Board Office staff on this point.

Board member Howard said that this discussion seemed late in coming because the move of the LEP position to the State Board office meant that the Department had to give up the position. In the interim LEP plans have been put on hold until the Board appoints someone to assume those responsibilities. She asked the Board for help in making all of these details work so that LEP monitoring can go forward.

Mr. Tom Farley of the Department of Education spoke to the Board about the Title IIA program. He reviewed a budget overview and discussed the proposed list of recipients of the 2003-2004 funds the Department has identified relative to Title IIA funds.

Board member Stone asked for a list of the associations receiving federal funds to assure that they were legitimate associations. Mr. Farley agreed to follow up and provide that list to him while assuring him that the Department has consistently tracked the funds and how they were spent by the associations. Dr. Howard noted that each association has someone at the Department who is a liaison to the organization.

Board member Agidius asked if there was a dollar amount for each item on the list. Mr. Farley said that information had been provided to the Board Office, but will make sure that the Board members get a chance to see it.

Board member Hall said that the transfer of program funds needs to include the transfer of administrative dollars to staff the program.

M/S (Howard/Stone): To approve the dispersal of funds consistent with the SDE proposal for the 2003-2004 State Activities Programs. *Motion carried unanimously.*

M/S (Lewis / Hammond): To approve the distribution of funds as set forth at the bottom of page 88 related to Title IIA Administrative Costs (\$118,280) and Title IIA State Directed Activity K-12 (\$345,640). *Motion carried unanimously.*

Board member Howard and Board member Hall agreed that there is a need to continue looking at better ways to deliver education to LEP students and that a collaborative effort is essential to accomplishing that effort. Board member Howard urged the Board to look for LEP specialists who are qualified and skilled in this area when they hire staff.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS – Milford Terrell

Presidents' Council Report

Dr. Dene Thomas introduced Dr. Robert Kustra of Boise State University to make the report on quality of wages and salaries on the campuses.

Dr. Kustra commended the students in this state for stepping forward in supporting fee increases during this time of tough decisions. He went on to discuss mutual challenges on the campuses and the ability of Idaho education to attract and retain the brightest and most qualified staff, giving a number of examples of the barriers to making that happen.

Board member Hammond asked what other states are doing that allow for salary increases. Dr. Kustra said that every state makes its own decision about where to put their resources. He suggested that some states did their ranking differently while other states choose to see higher education in a different light than Idaho does.

Dr. Howard asked about limiting enrollment to manage the costs. Dr. Bowen responded that enrollments at ISU have been limited for quite some time. Dr. Kustra said BSU has also had to turn away students. Dr. Thomas said that LCSC has grown 28% by growing into the programs that were already there, but struggles with having funds to hire staff to meet the growth demand. More adjunct faculty are hired, but many accreditation programs require full-time faculty which presents a problem of its own.

DEPARTMENT OF EDUCATION – Marilyn Howard

1. Elementary and Secondary School Accreditation Reports

Dr. Carolyn Mauer presented the Elementary and Secondary Accreditation Report to the Board. She reviewed information provided to the Board members in a handout and responded to questions.

Board member Hall asked for the details to be provided to the Board on two schools that received an approval-with-warning. Ms. Mauer made a note to do so. She will also provide the names of non-public schools which weren't approved.

M/S (Howard/McGee): To approve the 2003-2004 Accreditation Summary Report of Idaho Schools as submitted. *Motion carried unanimously.*

BUSINESS AFFAIRS & HUMAN RESOURCES – Jim Hammond

Section I – Finance

1. Boise State University Student Services Center and Financing

Buster Neal of Boise State University summarized for the Board the institution's need for the Student Services Center. He noted that the total project cost is five million dollars with an annual debt payment of \$350,000. He explained the current bond system revenues along with total revenue and total debt service. He discussed the projected growth funding to the building fee system and the new single bond. He said that if the Board approves this facility, BSU would like to meet by phone next week to approve the bond request for the facility.

He noted there are dollars available in the system to cover ongoing maintenance costs. He assured that there will be enough excess funds to pay off the bond. If this approved it is anticipated that the bond repayment period is for 20-25 years at an interest rate of 5% or less.

Board member Hall discussed concerns about the unknowns given that the eight-year plan which hasn't been made available as yet. He also expressed concerns with the lack of a cash flow picture for paying off the bond. Board member Hammond said the building under discussion was not about projected future needs, but a current need.

There was discussion about the entire planning process in terms of all the institutions and Board member Hall observed that in the future approval of projects needs to be made after careful

consideration of detailed plans. Board member Terrell strongly emphasized the need for to immediately develop a set of criteria for the institutions follow so that they know what is expected of them. Board member Hammond said that effort is already underway on this and welcomed Board member Terrell's assistance in prioritizing facility needs within the state. Jeff Shinn said he has been working with the Presidents' Council on developing criteria for similar types of requests. Board member Hall said that items mentioned today may need to be incorporated into the criteria discussed in December.

President Kustra said BSU is willing to work with the Board in whatever fashion is necessary on both the eight year plan and the future facilities plan.

M/S (Hall/Agidius): To approve the request by Boise State University to plan, design, and construct the Student services Center Project and to add the project to the February Bond issuance. Total cost of the project not to exceed \$5,000,000 and \$350,000 annual payment.
Motion carried unanimously.

2. FY2005 Student Fee and Tuition Rates

The student body presidents in the audience were invited to come forward and speak to the issue of student fee and tuition rates. Isaac Myhrum of the University of Idaho recommended and encouraged the Board to adopt a 7.05% fee increase proposal from the student body which focused on keeping fees affordable, accountable, transparent, value added and attractive to potential new students. Eddie Hanks of Idaho State University encouraged the Board to adopt their proposal of 7.31% which is the same as the administration. Ali Ishaq of Boise State University commended the institution for their involvement of the students in the process and said the student body fee proposal lines up with the administration's proposal of 7.71%. Justin Coleman of LCSC discussed the causes and burden of student debt on students and said the student body fee proposal is 7.5% which comes out to approximately \$77 dollars less per student than the institution's proposal. The students then provided a more thorough explanation about the process and the level of agreement by the student body of each institution in reaching the proposed amounts.

The Board thanked the students and invited the Presidents' Council to return to the table for discussion of the proposed fee and tuition rates.

Gary Michaels of University of Idaho said that fee increases administration is proposing won't solve the funding issues at the institution and if there isn't an MCO from the Legislature, it is likely they will come back to the Board for more money.

Richard Bowen of Idaho State University said that he entered into an agreement with the student body. However, a possible appropriation by the Legislature of salary increases which are dependent on a fee increase would present a huge problem to the institution and to the Board as well.

Dene Thomas of Lewis Clark State College said LCSC is asking for the largest amount in matriculation and in total costs because it has been a very lean operation for a long time in spite

of its growth. She noted that even with the large increase request LCSC would still be the lowest cost four-year institution in the state. She asked the Board not to penalize the institution for years of frugality which hurt the institution rather than improved it.

Robert Kustra of Boise State University noted that the process described and carried out by the student body president was to be commended. He said that it was important to be sure the fees were needed and that they were not excessive in comparison with sister institutions with whom they compete.

Bill Robertson of Eastern Idaho Technical College said that student body leadership was involved in the fee discussions and though there wasn't a referendum the student leadership understood the reasons for a 6% increase proposal. As a technical college EITC is mindful of access issues.

Board member Lewis asked for clarification about the budgeting process as it relates to the Legislature. Board member Hammond said once the budget is adopted, the Board can revisit the decision up until the time the fees are published by the institutions. Board member Hall said the Board could decide to revisit the issue, however looking to students to make up the costs of short falls resulting from Legislative decisions is not a direction he believes the Board should go.

University of Idaho staff asked for clarification on the format for presenting the fee and tuition request detail. Board member Hall said the Board would get back to the institutions on the best format to use.

At this time a motion was made. M/S (Hammond/Stone): To approve the fee and tuition rates for FY 2005 for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College and Eastern Idaho Technical College in the total amounts displayed in the Board materials for Activity Fees, leaving the allocation of Activity Fees with the chief executive officer of each institution, and approve all other fees as recommended and displayed on pages 41-62 of the Board materials. *Motion withdrawn.*

In continuing discussion Board member Howard said the students need to have assurance that they will be included in discussions at the institution level. Board member Hammond said he had faith in the leaders of the institutions to be open and honest with the students. Board member Hall said he felt this motion would breach the good-faith effort made by the students in reaching agreement. A brief recess was taken before the vote to allow legal counsel to review the motion. When the Board reconvened Board member Hammond withdrew his motion without objections.

Board member Hammond then moved to approve the fee and tuition rates for FY 2005 for Boise State University in the total amounts displayed in the Board materials. This was followed by a substitute motion made by Board member Lewis to approve fees and tuition increases proposed by BSU as outlined on page 33 by institution. He then amended the substitute motion to make it in respect only to BSU and the motion was restated.

Substitute M/S (Lewis/Howard): To approve the FY 2005 fee and tuition rates proposed by Boise State University outlined on page 33 of the Board agenda materials. *Motion carried unanimously.*

M/S Lewis/Terrell): To approve the FY 2005 fee and tuition rates proposed by Idaho State University as outlined on page 33 of the Board agenda materials. *Motion carried (Agidius absent).*

M/S (Hammond/Terrell): To approve a compromise fee increase for University of Idaho, specifically the Residential Non-Instructional fees, line 6 on page 33 of 8.0% and that the other fees associated with UI would remain as suggested on the page.

In debate on this motion it was noted that if it passed, it would represent a loss of about \$250,000 for the University of Idaho. UI staff then asked the Board's permission to round out to the nearest dollar in the matriculation fee where necessary and there was no objection

At this time Board member Lewis expressed concern about satisfying the students at the expense of the institution given their financial situation. He urged the Board to be supportive of the institution's request. Board member Hall said he was sympathetic to the institution, but didn't want to put the burden on the students. He said he would support a percentage rate up to 8.5%.

Substitute M/S (Terrell/McGee): To approve a compromise FY 2005 fee and tuition increase for University of Idaho -- specifically the Residential Non-Instructional fees, line 6 on page 33 -- of 8.5% rounded up or down to the nearest dollar and that the other fees associated with UI would remain as proposed on that page. *Motion passed 5-2 (Lewis and Stone dissenting. Board member Agidius was absent.)*

M/S (Lewis/ Stone): To approve recommended fee and tuition rate for FY 2005 proposed by LCSC and for EITC as outlined on page 33 of the Board agenda materials.

Howard said that the Board should be consistent in its vote and made a substitute motion.

Substitute M/S (Howard, Hammond): To approve a FY 2005 fee and tuition increase for LCSC of 8.5% and for EITC as listed on page 33 of the Board agenda materials. *Motion carried 4-3. (A roll call vote was taken with Stone, Terrell and Lewis dissenting. Board member Agidius was absent).*

M/S Hammond/Terrell: To hold a special meeting on February 5, 2004 at 2:30 MT for the purpose of considering the Boise State University bond discussion. *Motion passed (Board members Agidius and McGee absent).*

There being no further business, the meeting adjourned at 7:00 p.m.