

BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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SUBJECT

FY 2005 Appropriation information.

BACKGROUND

The Legislature's budget committee finished setting education agency/institution appropriations on February 24, 2004 (see Exhibit A attached). At the time this agenda was prepared, none of the appropriation bills associated with the State Board of Education had passed the first house. There is always the chance that appropriation bills will be amended on the floor of either house, but the likelihood of that occurring is limited.

DISCUSSION

Agencies and institutions need to begin the process of preparing their FY 2005 operating budgets for approval by the Board at its June 2004 meeting. The college and universities and Professional-Technical Education programs in particular need to begin development of various appropriation distributions/allocations for approval at the April 2004 Board meeting.

If the appropriation bill for the college and universities has been passed by the legislature and signed by the Governor prior to the March 2004 board meeting, Board staff will make every effort to have a recommended allocation available at that time.

IMPACT

The Board will be aware of the process being undertaken by agencies and institutions in conjunction with Board staff.

STAFF COMMENTS AND RECOMMENDATIONS

As noted above, appropriation bills have not yet become law. Historically appropriation bills passed by the budget committee (JFAC) do become law, but there is always the possibility for change. This information item brought before the Board will serve as acknowledgement to the institutions and agencies they may proceed with their regular budget allocation/distribution process.

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

State Board of Education - Institutions and Agencies

Plus Public School Support and Dept. of Education

FY 2005 Budget Request and JFAC Appropriation

EXHIBIT A

<u>Program</u>	<u>Agency/Institution Request</u>		<u>JFAC Appropriation</u>		<u>\$ Difference</u>		<u>% Difference</u>	
	<u>General</u>	<u>Total</u>	<u>General</u>	<u>Total</u>	<u>General</u>	<u>Total</u>	<u>General</u>	<u>Total</u>
1 Agricultural Research and Extension	\$ 24,520,700	\$ 29,438,200	\$ 24,679,100	\$ 29,596,600	\$ 158,400	\$ 158,400	0.6%	0.5%
2 College & Universities	233,091,100	341,880,200	223,366,200	341,294,500	(9,724,900)	(585,700)	-4.2%	-0.2%
3 Community Colleges	20,147,400	46,473,400	19,755,400	46,301,000	(392,000)	(172,400)	-1.9%	-0.4%
4 School for the Deaf and Blind	7,929,700	8,304,400	7,449,300	7,818,000	(480,400)	(486,400)	-6.1%	-5.9%
5 Office of the State Board of Education	5,189,600	11,052,300	4,097,100	9,460,800	(1,092,500)	(1,591,500)	-21.1%	-14.4%
6 Health Programs	7,837,300	8,150,500	7,846,100	8,162,700	8,800	12,200	0.1%	0.1%
7 State Historical Society	2,613,100	4,399,600	1,961,600	3,746,300	(651,500)	(653,300)	-24.9%	-14.8%
8 Library, State	2,634,000	4,083,300	2,537,100	3,972,500	(96,900)	(110,800)	-3.7%	-2.7%
9 Professional-Technical Education	47,514,000	55,642,800	45,691,600	53,820,400	(1,822,400)	(1,822,400)	-3.8%	-3.3%
10 Public Broadcasting	2,688,400	3,535,600	1,586,700	2,441,300	(1,101,700)	(1,094,300)	-41.0%	-31.0%
11 Special Programs	9,851,000	10,291,000	9,717,600	10,157,600	(133,400)	(133,400)	-1.4%	-1.3%
12 Vocational Rehabilitation	3,910,500	18,837,600	7,738,600	22,233,600	3,828,100	3,396,000	97.9%	18.0%
13 Subtotal, Agencies/Institutions	\$ 367,926,800	\$ 542,088,900	\$ 356,426,400	\$ 539,005,300	\$ (11,500,400)	\$ (3,083,600)	-3.1%	-0.6%
14 Public School Support	985,794,700	1,545,101,000	964,706,500	1,165,594,300	(21,088,200)	(379,506,700)	-2.1%	-24.6%
15 State Department of Education	5,234,300	19,347,900	5,211,000	19,216,300	(23,300)	(131,600)	-0.4%	-0.7%
16 Total, all Education Programs	\$ 1,358,955,800	\$ 2,106,537,800	\$ 1,326,343,900	\$ 1,723,815,900	\$ (32,611,900)	\$ (382,721,900)	-2.4%	-18.2%

17 Notes:

18 Community College Total Appropriation includes \$26,245,600 of Local Fees not officially included in JFAC Appropriation

19 State Historical Society large % difference due to certain Maintenance, Fund Shift and program enhancement not appropriated.

20 Public Broadcasting large % difference due to request for digital translators not appropriated.

21 Vocational Rehabilitation increase due to transfer of \$2,462,800 (General) and \$3,770,800 (Total) from Dept. of Health and Welfare for community employment programs.

22 Public School Support Request includes local funds not included in JFAC Appropriation.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY

REFERENCE

January 26-27, 2004

Student fee charges for the 2004-2005 school year were established.

SUBJECT

Student fee increase. Authority to request a mandatory fee increase above 10% at the April Board meeting.

BACKGROUND

The FY 2005 proposed appropriation for the College and Universities from General Funds and state Endowment funds, coupled with the additional revenue generated by the fee increase approved at the January State Board of Education meeting, is insufficient to maintain institutional operations at the FY2005 level.

DISCUSSION

Idaho State University requests Board approval to develop a fee increase request in an amount greater than that submitted at the January 2004 Board meeting, because the combined FY 2005 revenue will not be sufficient to cover operational expenses. The original fee proposal was for an increase in full-time fees of 7.31%.

IMPACT

Additional revenue for the FY 2005 operating budget is generated by increasing student fees and tuition. The revenue will be used to fund Maintenance of Current Operations (MCO) increases that have not been funded.

STAFF COMMENTS AND RECOMMENDATIONS

This agenda item was prepared by the institution prior to the budget committee (JFAC) setting the FY 2005 appropriation for the College and Universities.

The requested amount is above the Board's designated increase of 10%. The proposed College and University appropriation for FY 2005 has an overall General Fund increase of 2.5%, including the requirement to fund employee benefit increases and 2% employee compensation amounts. In addition, the institutions will experience increased costs associated with enrollment growth, new building occupancy, utilities, etc.

Idaho State University requests the Board approve a fee increase above the amount originally proposed by the institution at the January 2004 meeting. At that meeting the Board approved a fee increase of 7.31%.

BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY-continued

BOARD ACTION

A motion to approve the request by Idaho State University to submit a fee increase proposal for FY 2005 in excess of 10%, to be presented at the April 2004 State Board of Education meeting.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

REFERENCE

January 26-27, 2004

Student fee charges for the 2004-2005 school year were established.

SUBJECT

Student fee increase. Authority to request a mandatory fee increase above 10% at the April Board meeting

BACKGROUND

The Governor's Budget recommendations do not fund substantial elements of the maintenance of current operations and therefore increase the financial challenges UI faces in its FY05 operating budget. The absence of funding in the capital budget for the repair and replacement of the university's physical plant is especially troubling because it continues an unsustainable trend of mounting deferred maintenance expenses. These maintenance issues will also impact the university's FY05 operating budget. In addition to these issues, the Governor's budget provides for more spending requirements than the university will receive in net new general account appropriations and land grant endowment distributions. Partial funding of these spending requirements will further stress the FY05 budget. From the outset, the university's multi-year budget plan was predicated on full MCO funding in FY05 and thus the tough internal reallocation targets that have been established will not be sufficient to address these challenges.

DISCUSSION

At the time this agenda item was prepared, JFAC had not yet set higher education appropriations but there is little realistic prospect that these significant funding issues will be addressed in the appropriation. These additional financial challenges will significantly affect the university's ability to fulfill its mission, will further degrade the investments that previous generation of Idahoans have made in our physical facilities and will further undermine the institution's financial condition. Therefore the administration requests authority to develop a fee increase request in excess of 10% and present it to the Board for its consideration at the April meeting.

IMPACT

Additional revenue for the FY 2005 operating budget is generated by increasing student fees and tuition. The revenue will be used to fund Maintenance of Current Operations (MCO) increases that have not been covered by the General Fund.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO-continued

STAFF COMMENTS AND RECOMMENDATIONS

This agenda item was prepared by the institution prior to the budget committee (JFAC) setting the FY 2005 appropriation for the College and Universities.

The requested amount is above the Board's designated increase of 10%. The proposed College and University appropriation for FY 2005 has an overall General Fund increase of 2.5%, including the requirement to fund employee benefit increases and 2% employee compensation amounts. In addition, the institutions will experience increased costs associated with enrollment growth, new building occupancy, utilities, etc.

The University of Idaho requests the Board approve a fee increase above the amount originally proposed by the institution at the January 2004 meeting. At that meeting the Board reduced the proposed fee increase from 9.92% to 8.5%.

BOARD ACTION

A motion to approve the request by the University of Idaho to submit a fee increase proposal for FY 2005 in excess of 10%, to be presented at the April 2004 State Board of Education meeting.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

REFERENCE

January 26-27, 2004.

Student fee charges for the 2004-2005 school year were established.

SUBJECT

Student fee increase. Request that Board established fee increase as originally proposed at the January 2004 meeting.

BACKGROUND

The FY 2005 proposed appropriation for the College and Universities from General Funds and state Endowment Funds, coupled with the additional revenue generated by the fee increase approved at the January State Board of Education meeting, is insufficient to maintain institutional operations and insure quality at the current level.

DISCUSSION

Lewis-Clark State College requests Board approval of its original fee request of 9.98% made at the January, 2004 Board meeting (see Exhibit A). Board policy (Section V.R) allows institutions to request fee changes without prior Board approval if the increase does not exceed 10% annually.

IMPACT

Additional revenue for the FY 2005 operating budget is generated by increasing student fees and tuition. The revenue will be used to fund Maintenance of Current Operations (MCO) increases.

STAFF COMMENTS AND RECOMMENDATIONS

The proposed College and University appropriation for FY 2005 has an overall General Fund increase of 2.5%, including the need to fund employee benefit increases and 2% employee compensation amounts. In addition, the institutions will experience increased costs associated with enrollment growth, new building occupancy, utilities, etc.

Lewis-Clark State College requests the Board approve a fee increase at the same amount as originally proposed by the institution at the January 2004 meeting. At that meeting the Board reduced the proposed fee increase from 9.98% to 8.5%.

BOARD ACTION

A motion by Lewis-Clark State College to approve the FY2005 fee and tuition rate increase of 9.98% for full time fees as originally submitted at the January 2004, SBOE meeting.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

1 LEWIS-CLARK STATE COLLEGE

2 Recommendations for Changes to Student Fees for FY2005

3 Annual Full-Time Fees

Full-time Resident Fees								Additional Revenue			
Student Fees:	Bd	FY04	FY05	Approved	Proposed	Change	% Incr	HC/SCH Enrollmt		Fee Changes	
	Appv	Fees	Initial Notice	01/28/04				FY04	FY05	Gen Educ	Local
Full-time Fees:											
Matriculation Fee	**	\$1,977.00	\$2,276.00	\$2,230.00	\$2,276.00	\$46.00	2.3%	1,998	2,192	\$100,800	
Technology Fee		60.00	62.00	62.00	62.00	0.00	0.0%	1,998	2,192		0
Facilities Fees		490.00	490.00	490.00	490.00	0.00	0.0%	1,998	2,192		0
Student Activity Fees		599.00	610.00	610.00	610.00	0.00	0.0%	1,998	2,192		0
Total Full-time Fees		<u>\$3,126.00</u>	<u>\$3,438.00</u>	<u>\$3,392.00</u>	<u>\$3,438.00</u>	<u>\$46.00</u>	<u>1.47%</u>			<u>\$100,800</u>	<u>\$0</u>
Other Student Fees:											
Other Fees:											
Western Undergrad Exchge		\$1,563.00	\$1,719.00	\$1,696.00	\$1,719.00	\$23.00	1.47%	60	52	1,200	
										\$102,000	\$0

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INSTITUTION / AGENCY AGENDA
IDAHO STATE UNIVERSITY

SUBJECT

ISU Foundation and Bengal Foundation Audits for FY 2003.

BACKGROUND

Board policy Section V.H. requires institutions to report when these audits have been received from the independent auditor.

DISCUSSION

ISU Foundation Audit FY2003

In compliance with Board Policy, a copy of the audit of the Idaho State University Foundation, Inc., for the fiscal year ended June 30, 2003, is on file at the Office of the State Board of Education. Copies of the report are available in the Office of Financial Services at Idaho State University.

ISU Bengal Foundation Audit FY2003

In compliance with Board Policy, a copy of the audit of the Idaho State University Bengal Foundation, for the fiscal year ended June 30, 2003, is on file at the Office of the State Board of Education. Copies of the report are available in the Office of Financial Services Office at Idaho State University.

There are no items of note in the independent auditor's reports.

IMPACT

These reports are necessary to present the fair and accurate financial positions of institutional foundations.

STAFF COMMENTS AND RECOMMENDATIONS

Board staff has read the two audit reports. There were no findings to report.

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

REFERENCE

June 26, 2003 State Board of Education and Regents of the University of Idaho Minutes p. 6. FY 2004 operating budgets were approved for institutions, including capital projects (see Exhibit A - University of Idaho FY04 Projects List attached).

SUBJECT

Request approval to proceed with the construction phase of the Recreation, Intramural and Athletic Field Renovation (Fields 1 & 2 of 4) project and to increase the project budget as follows:

Current Authorization:	\$150,000
Supplementary Authorization:	<u>\$1,250,000</u>
Total Authorization:	\$1,400,000

Sources of Funds:

Auxiliary Funds /	
Repair and Replacement:	<u>\$1,400,000</u>
Total:	\$1,400,000

Uses of Funds:

A/E Design Fees:	\$ 150,000
Admin Fees & Permits:	25,000
Construction:	\$1,110,635
Project Contingency:	<u>\$ 114,365</u>
Total:	\$1,400,000

BACKGROUND

In June of 2003, the State Board of Education and Regents of the University of Idaho approved \$150,000 for the purpose of the planning and design of the Recreation, Intramural and Athletic Field Renovation project. The university contracted with Hatchmueller, a landscape architect located in Coeur d'Alene, Idaho, to perform the approved work. Hatchmueller is currently in the final phases of design and is in the process of achieving completion of the Construction Documents. Project schedule assumptions call for Construction Documents to be completed during winter 2003/04, bidding to occur during early spring 2004, and construction to occur during summer of 2004.

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO-continued

DISCUSSION

This project is the first field improvement project of a number of identified outdoor recreation facility improvements. The University of Idaho (UI) has previously completed two recreation need assessments for intramural, athletics and club sports fields. The Sports, Recreation, Athletic and Special Events Facilities Master Plan (SRASE) identifies the deficiencies and begins to make broad recommendations for adding facilities and sports lighting and for improving playability and utilization of the fields. The Sports Fields Master Implementation Plan (SFMIP) moves forward from the SRASE. The SFMIP defines how the recreation components best fit together with the Long Range Campus Development Plan (LRCDP) and begins to address the solutions in more detail. The results of both of these studies indicate an inadequate number of dedicated facilities available for sport field recreation use and begin to develop implementation strategies for new fields and improvements.

In the spring of 2003, a feasibility study was conducted to determine the rationality of converting four existing natural turf grass fields, including the existing varsity football practice field, to synthetic infill turf systems. The conclusion of the feasibility study was that conversion of the four fields in question, when coupled with adequate lighting, will provide vastly increased rates of field utilization, longer recreational and intramural seasons, and decreased field maintenance costs. The opportunity for increased rates of utilization and greater scheduling flexibility will lead to increased rates of participation in recreational and intramural programs and activities. In addition these improvements will support general education and academic use of the fields by programs within the Department of Health, Physical Education, Recreation and Dance (HPERD) as well as other academic programs such as ROTC. Given the increased utilization rates and opportunities for additional programming within recreation, intramural and academic programs, alignment with the university's strategic role and mission goal pertaining to the creation of a residential campus of choice is clearly demonstrated.

All planning and design efforts have been conducted with a broad cross-section of campus representatives including student representatives, campus recreation, conferences and events, residence life/student housing, intramural sports, athletics, and facilities services. Students representing campus recreation and ASUI representatives participated in the feasibility and design phases, and their input is incorporated in the final product.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO-continued

The intent of the overall project is to develop the master plan and design documents for up to four artificial turf fields that will be scheduled and utilized in a multi-use format. This initial phase of the project includes lighting and other amenities, which allow extended evening play and opportunity for extended academic, intramural and recreation activities, on the two most critical fields. Subsequent field improvement projects will be developed in future years only as funding resources are identified, allocated, and approved.

Approval of this project includes approval to execute necessary contracts for architectural/engineering services and construction contracts to accomplish the improvement and conversion of two fields located to the immediate east of the ASUI Kibbie Activity Center (Fields 1 & 2).

IMPACT

Converting these existing fields from grass to filled artificial turf, lighting them and dedicating them for multiple use helps to solve some immediate needs for academic, intramural and recreation programs and varsity athletics. The primary benefit of this concept is to improve field utilization. Currently, the football practice field receives 497 hours of use per year based on information collected during the development of the SFMIP. This is considered fairly heavy use for a sand-based natural grass field. The estimated maintenance cost on this field is approximately \$30,000 per year including fertilization, irrigation, re-seeding, re-striping, etc. Converting these fields to a lighted artificial turf facility could potentially improve the field utility to 1,800 hours of use and concurrently drastically reduce the maintenance burden.

The project will be funded from a combination of existing Auxiliary reserves and existing outdoor field student fee funds dedicated for the purpose of outdoor field enhancements. A total of \$1,285,810 is currently on-hand in existing R&R accounts; an additional \$86,000 is expected to be deposited from spring 2004 (current semester) outdoor field dedicated fees; the final \$28,000 will come from fall 2004 outdoor field dedicated fees. The project will be funded from cash on hand from these accounts.

The project is consistent with the stated goals and objectives of both the university's Strategic Plan and the Long Range Campus Development Plan (LRCDP).

BUSINESS AFFAIRS AND HUMAN RESOURCES
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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO-continued

STAFF COMMENTS AND RECOMMENDATIONS

The project has been reviewed by Board staff and discussed with UI officials. The proposed expenditure of auxiliary fees to benefit a broad spectrum of student uses appears to be an appropriate use of those fee revenues. Board approval is necessary because the project cost is in excess of \$500,000.

BOARD ACTION

Motion to approve the request by University of Idaho to proceed with the construction phase of the Recreation, Intramural and Athletic Field Renovation project and to increase the project budget from \$150,000 to \$1,400,000 using auxiliary funds.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

1									
2			<u>General Education</u>	<u>Bond</u>	<u>Dept/Other</u>	<u>Private</u>			
3	<u>Project Title/Description</u>	<u>Priority</u>	<u>Capital</u>	<u>Repr/Repl</u>	<u>R & R</u>	<u>Funds</u>	<u>Funds</u>	<u>PBF/State</u>	<u>Total</u>
4	EXTERIOR CAMPUS AND SITE DEVELOPMENT								
5	Wicks Field Soccer Pitch Fence						35,000		35,000
6	Golf Course Driving Range Upgrade					50,000			50,000
7	Recreation Intramural Athletic Fields Renovation (Design & Testing Phase)					150,000			150,000
8	Paradise Creek CLOMER to LOMER		20,000						20,000
9	FY 04 Street Patching and Repair			70,000					70,000
10	Bench Repair/Renovations			30,000					30,000
11	Campus Construct Information Kiosks		30,000						30,000
12	Exterior Campus and Site Development Total		50,000	100,000	0	200,000	35,000	0	385,000
13									
14									
15	SAFETY, SECURITY, ADA								
16	Power Plant Double Wall Diesel Tank for Gen Fuel			10,000					10,000
17	PEB New Elevator DPW 01-256 *							305,878	305,878
18	CEB New Elevator DPW 02-262 *							415,960	415,960
19	LSS/Gibb Water System Separation DPW 01-253 *							40,000	40,000
20	Ag Science Abate Asbestos DPW 98-910 *							75,000	75,000
21	LLC Buildings 1,2,3 Exterior Entrance Security Cameras					29,000			29,000
22	Power Plant Security Cameras			30,000					30,000
23	Repair Wood Storage Pile Fence Addition			20,000					20,000
24	FY 04 Misc Outdoor Lighting Budget (On-Going Program)		15,000						15,000
25	FY 04 ASUI Safety Budget (On-Going Program)		10,000						10,000
26	FY 04 ADA/Universal Access Budget (On-Going Program)		15,000						15,000
27	FY 04 Misc Security Budget (On-Going Program)		25,000						25,000
28	FY 04 Misc Safety Budget (On-Going Program)		25,000						25,000
29	6th Street Outdoor Lighting - Stadium to Perimeter		50,000						50,000
30	Safety, Security, ADA Total		140,000	60,000	0	29,000	0	836,838	1,065,838

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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

REFERENCE

This type contract has not been presented in the past for Board approval, to the best knowledge of institutional or Board staff.

SUBJECT

The University of Idaho requests approval for a three-year renewal of its current contract with Verizon Northwest Inc., for CentraNet (Centrex) and other local telephone services.

BACKGROUND

Board policy V.I.3.a., requires staff or Board approval of contracts for "[p]urchases of equipment, data processing software and equipment, and all contracts for consulting or professional services," that meet the thresholds of \$250,000 and \$500,000, respectively. Due to recent interpretations of this policy, University staff requested guidance from Board staff on whether the policy applies to the subject telephone services contract. As a result, the university is submitting this contract for approval and anticipates submitting all other utility services contracts for approval that fall within the thresholds.

DISCUSSION

Verizon offers the only viable service in the area at this time. The university, in the name of the Regents of the University of Idaho, has contracted for campus Centrex telephone services from Verizon since 1994. Centrex provides all telephony switching equipment, inter-building and inter-facility transport infrastructure, maintenance, repair, activation, deactivation, and location changes for specified campus facilities based upon a monthly per-line fee. The university maintains all intra-building infrastructure and equipment and works in very close coordination with Verizon to provide telephony services to the campus.

The original 1994 contract with Verizon for Centrex services expired on 3/14/02. The university entered a new one-year contract (ICB#ID0201155/ID9901110) on 2/6/03. This new contract provided approximately \$40,000 annual savings to the university over the previous pricing, was updated to reflect newer technologies, and provided tiered pricing, which allows the university much more flexibility to pursue new solutions without long-term commitments. The parties entered into amendment 1 to the base contract in June 2003, which reduced feature pricing.

The current contract as amended, had an expiration date of February 23, 2004. In order to avoid expiration, the parties amended the contract for a 60-day extension, pending Board review. The contract amendment submitted for review is a three year renewal of the current contract. (Please note, due to the need to enter into a 60-day extension amendment, which became amendment 2, the

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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO-continued

amendment presented for review will become amendment 3 and the dates therein will change accordingly). The three-year renewal has pricing that is more favorable than in the past and cost-effective for the university. There also is a new trunk line ratio requirement. Current local service fixed costs are approximately \$849,429 annually. The requested renewal would provide annual costs of approximately \$828,821, for an estimated annual savings of \$20,608. (These costs do not include one-time variable costs for services such as new installations, location changes, software configuration changes, and other miscellaneous charges that are for tariffed services that are not part of an ICB (individual case basis) contract. Those costs average \$1,000 - \$3,000 monthly).

IMPACT

Approval of this agreement will allow the university to continue to receive local telephony communication services from Verizon at a cost-effective rate. Due to the remote location of the University of Idaho, Verizon is the only local service provider available for this service. The impact of a non-approval of this agreement would cause the telephone rates for the university to revert to the State Centrex pricing agreement with Verizon which is currently \$9.99 per line for every line. This would increase the university's annual costs by approximately \$140,000 compared to the current agreement.

STAFF COMMENTS AND RECOMMENDATIONS

Board staff has reviewed this contract and finds nothing out of the order. Board staff is relying upon UI knowledge of its particular telecommunications needs and past involvement with the provider in question with regard to the benefits which will accrue to the university from accepting this contract. UI staff brought this agreement to the Board's attention as an item needing approval even though such approval has not been sought in the past.

Exhibit A displays the current and proposed pricing. The proposed agreement (including 3 amendments) is behind the tab identified as "5-A Contract". The proposed agreement is "owned" by Verizon Northwest, Inc., and is not compatible with Board word processing software. Therefore, the contract is displayed without certain formatting information (headers, footers, etc.).

Approval of the contract is recommended.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO-continued

BOARD ACTION

A motion to approve the three-year renewal amendment to contract ICB# ID0201155/ID9901110 between the Regents of the University of Idaho and Verizon and to authorize the University of Idaho Vice President for Finance and Administration to sign a contract amendment that is in substantially the same form as the amendment submitted with this agenda item.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

1
2

UI Telephone Services Local Service Detail

EXHIBIT A

Feb-04

3	ESTIMATED EXPENDITURES*		Current Verizon Contract		Proposed Pricing	
4	Local Service - Verizon	Qty - 2/04	Amt	Extension	Amt	Extension
5	CentraNet (Deptl, full featured phones)	2,962	\$8.25	\$24,437	\$7.75	\$22,956
6	CentraNet - Student (Less features)	2,032	\$7.21	\$14,651	\$6.71	\$13,635
7	CentraNet - Other (Emergency & public phones)	74	\$6.65	\$492	\$6.15	\$455
8	ISDN - Multipoint	103	\$15.40	\$1,586	\$14.90	\$1,535
9	ISDN - Singlepoint	85	\$14.00	\$1,190	\$13.50	\$1,148
10	ISDN - Data channel	186	\$7.00	\$1,302	\$7.00	\$1,302
11	ISDN - Voice channel	187	\$6.00	\$1,122	\$6.00	\$1,122
12	ISDN Access Port	188	\$4.55	\$855	\$4.55	\$855
13	ISDN Feature pkg	188	\$5.00	\$940	\$5.00	\$940
14	Instant Call Accounting	5,256	\$0.40	\$2,102	\$0.40	\$2,102
15	Move/Change software interface	5,256	\$0.40	\$2,102	\$0.40	\$2,102
16	T1	3	\$105.00	\$315	\$105.00	\$315
17	Software Numbers	1	\$6.00	\$6	\$6.00	\$6
18	Trunk - Community Plus (239 are required for new agreement)	220	\$47.93	\$10,545	\$47.93	\$11,455
19	CLASS feature	1	\$200.00	\$200	\$200.00	\$200
20	Private line mileage	2	\$60.00	\$120	\$60.00	\$120
21	Private line mileage	5	\$5.00	\$25	\$5.00	\$25
22	Private line mileage	8	\$8.00	\$64	\$8.00	\$64
23	6-way conference feature	1	\$60.00	\$60	\$60.00	\$60
24	AIS basic	12	\$60.00	\$720	\$60.00	\$720
25	AIS 12 months	2	\$55.00	\$110	\$55.00	\$110
26	AIS 36 months	4	\$50.00	\$200	\$50.00	\$200
27	Voicemail	1,368	\$4.50	\$6,156	\$4.50	\$6,156
28	Special Circuits (25)	1	\$432.00	\$432	\$432.00	\$432
29	E911 Circuit	1	\$273.40	\$273	\$273.40	\$273
30	C,M,A (average)	26	\$30.00	\$780	\$30.00	\$780
31	Total Monthly Local Service Expenditures			\$70,786		\$69,068
32						
33	Total Annual Local Service Expenditures			\$849,429		\$828,821
34						
35	Estimated Annual Savings					\$20,608

36

37 *Notes:

38 These estimated expenditures do not include expected costs for USF, Federal regulatory, local or other taxes.

39

40 Variable costs not included in this worksheet average from \$1,000 to \$3,000 monthly. These are one-time costs for
41 new installations, location moves, simple software changes, and other Verizon tariffed services.

BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

SUBJECT

Idaho Water Center Leasing, Operations And Maintenance Contract
For Information Only.

The University of Idaho is planning to release two Requests for Qualifications (RFQ's) related to the Idaho Water Center facility in Boise. The first is to select a firm interested in providing initial commercial leasing services by identifying non-UI tenants appropriate for the purposes of the Idaho Water Center (IWC), and the second is to select a firm interested in providing building operations and maintenance, and property management services at the IWC. This agenda item is to provide the Board of Regents information regarding this process. An overview of the selection process and contract award will be provided in accordance with Regents' policies at a later date.

BACKGROUND

Leasing Services: The IWC has been designed as a multi-tenant building, and the University has presented the development as an opportunity to provide collaborative opportunities for research, education, and business in one location. At initial occupancy in fall 2004, the University plans to occupy approximately 40,000 square feet, the USFS will occupy approximately 22,000 square feet, and IDWR will occupy 50,000 square feet. This leaves approximately 80,000 square feet in the building to be developed for University or other tenancy. This summer, the University decided to consolidate its remaining Boise programs into the Idaho Water Center facility rather than proceeding with development of the Learning Center facility. While the University is developing specific program plans for future consolidation into the IWC, it wishes to concurrently seek appropriate partner tenants on a parallel track. To effectively implement this vision, the University is seeking to secure appropriate tenants in the building's available space and in a manner that ensures the programmatic and financial success of this mixed-use development. Selecting the services of a qualified commercial leasing firm is seen as an effective mechanism to achieve this success.

Building Management Services: The University and other owner/tenants intend to occupy the IWC facility in the late summer and fall of 2004. Because of the condominium arrangement of the facility, a formal condominium association will be formed between the UI and other building owner/occupants. The condominium declaration is now being finalized and circulated among the owner/occupants and SBOE staff. In addition to operations and maintenance responsibilities assigned to each unit owner by the condominium declaration, common area services such as building and systems maintenance, repairs, and custodial support are to be provided in the building through contracted support. The contract will be structured to serve common systems and spaces within the

BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO-continued

building, and will also allow individual owners to purchase related services for their units within the facility.

DISCUSSION

The University intends to engage the other condominium association member representatives (currently UI, USFS and IDWR) in the contractor selection process and in defining appropriate oversight/operational controls. The advertisement and selection process must get underway immediately in order to ensure appropriate building services are in place before the date users are to occupy the building.

As an independent responsibility of the University, the University is simultaneously examining opportunities to sublease portions of the IWC that UI currently leases from ISBA to appropriate non-UI tenants. To assist with this effort, the University will select a commercial leasing firm to market space within the IWC, identify appropriate potential tenants, and arrange leases with those tenants that are consistent with the University's and the IWC's programmatic plans.

IMPACT

Building Management Services: All costs under the contract will be shared by the owners/occupants based on the respective fair-share proportions or pre-agreed lease rate payments. The source of funding for the University of Idaho's share is to be the general education account and any occupancy funding attributed to the facility.

Leasing Services: The commercial leasing services contracts will likely be based on a commission paid from the rents secured by the successful leasing agent.

STAFF COMMENTS AND RECOMMENDATIONS

Regarding the selection process and contract notification mentioned in the "Subject" section, the Board may request to be kept informed of the process as it unfolds, instead of waiting for an after-the-fact report.

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

INSTITUTION / AGENCY AGENDA
LEWIS-CLARK STATE COLLEGE

SUBJECT

Special Summer Session Fees for Lewis-Clark State College Pathway for Accelerated Certification and Endorsement Program (PACE) Students

BACKGROUND

The Pathway for Accelerated Certification and Endorsement program (PACE) is LCSC's alternative teacher certification program. It is a program for highly qualified, motivated individuals who want to earn elementary or secondary teaching credentials, but who cannot attend regular on-campus classes. Through use of online classes, visits by faculty, and distance learning seminars, candidates work in their hometowns to complete education courses and internships. In addition, PACE candidates are organized into summer cohorts. They may begin prerequisite coursework at any point in the year, but all must participate in a three-day on-campus summer orientation before beginning their teaching internships.

DISCUSSION

Students in the PACE program are required to enroll for up to 17 credit hours during two summer sessions. This has placed a financial burden on PACE students. For example, summer student fees were \$153 per credit in 2003, and thus the PACE program cost was \$2,601, or nearly \$1,000 more than a 17 credit hour load would cost during the Fall or Spring semesters.

IMPACT

There will be a reduction in revenue as compared to previous year PACE enrollments, but the institution believes that overall growth in student summer enrollment will be more than adequate to support the program.

STAFF COMMENTS AND RECOMMENDATIONS

Cost has become a limiting factor to many students who would otherwise qualify for the PACE program. Because of this and because the Summer program is required of PACE students, Lewis-Clark State College proposes that PACE student Summer fees be no greater than full-time fees as set for the regular academic year. Board staff and the Council on Academic Affairs and Programs (CAAP) recommends approval of this request (CAAP meeting of February 18, 2004).

BOARD ACTION

A motion to approve LCSC's request to have summer fees for PACE students be no greater than full-time fees as set for the regular academic year.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

INSTITUTION / AGENCY AGENDA
COLLEGE OF SOUTHERN IDAHO

REFERENCE

August, 2003	CSI requested permission of OSBE Executive Director to increase project budget by \$500,000. Source was institutional funds.
June 26-27, 2003	Board approval of college and university projects financed by Idaho State Building Authority (ISBA) bonds (House Concurrent Resolution 30 (2003)). College of Southern Idaho Fine Arts Addition project was included in the bonded projects list. Project was also approved by local college board or trustees. Amount available from bonds is \$5,400,000.
FY 2001	Legislature appropriated \$1,500,000 for project.
FY 2000	Legislature appropriated \$300,000 for project.
FY 1999	Fine Arts Addition project was established by the state Division of Public Works with legislative appropriation of \$150,000 for planning.

SUBJECT

The College is requesting permission to provide the Division of Public Works with an additional \$100,000 from institutional funds to meet the projected budget for construction of the Fine Arts Addition.

BACKGROUND

The Fine Arts Addition is part of the 2003 Idaho State Building Authority Bond project. When the majority of the bids were opened in July of 2003, the project was \$500,000 over budget. In accordance with State Board Policy, CSI requested and received authorization from the Executive Director to add \$500,000 of institutional funds to the project.

Two bid packages had to be re-bid in September of 2003. When these bids came in, the amount that would have to be added to the project budget to cover contingencies and construction contracts was \$100,000 (see Exhibit A – History of Project Costs). With this request to add \$100,000 of institutional funds to the project, the project will be in excess of the authorized limit of additions that can be approved by the Executive Director. Any additional funding requests will have to be approved the Board.

BUSINESS AFFAIRS AND HUMAN RESOURCES
MARCH 10-12, 2004

INSTITUTION / AGENCY AGENDA
COLLEGE OF SOUTHERN IDAHO continued

DISCUSSION

The College will take \$100,000 from the Plant Facility Fund and transfer these funds to the Division of Public Works. In the event the funds are not needed, they will be returned to the College.

IMPACT

The fiscal impact on the College will be the delay of some scheduled preventative maintenance projects.

STAFF COMMENTS AND RECOMMENDATIONS

Board staff has discussed this project with CSI and Division of Public Works staff and recommends approval of this request.

BOARD ACTION

A motion to approve the request by the College of Southern Idaho to transfer \$100,000 from institutional funds to the Division of Public Works for the Fine Arts Addition Construction Project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

College of Southern Idaho – Fine Arts Building Project
History of Project Costs

		(first request)		(second request)			
	Original	August 03	Increase	Dec 03	Increase	Increase	% Increase
	<u>Estimate</u>	<u>Revision</u>	<u>Orig to</u>	<u>Revision</u>	<u>Aug 03 to</u>	<u>Original to</u>	<u>Orig to</u>
			<u>Aug 03</u>		<u>Dec 03</u>	<u>Dec. 03</u>	<u>Dec 03</u>
10 Architect/Engineer	520,969	520,969	-	545,567	24,598	24,598	4.7%
11 Construction Mgmt.	329,406	329,406	-	329,406	-	-	0.0%
12 Construction Mgmt.	6,000,000	6,510,000	510,000	6,586,391	76,391	586,391	1.3%
13 Contingencies	366,370	348,060	(18,310)	329,320	(18,740)	(37,050)	-5.1%
14 Other	42,255	50,565	8,310	68,316	17,751	26,061	42.0%
16 Total	\$ 7,259,000	\$7,759,000	\$ 500,000	\$7,859,000	\$ 100,000	\$ 600,000	1.4%