



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
December 22, 2004
Len B. Jordan Building
Boise, ID**

A special meeting of the Idaho State Board of Education was held December 22, 2004. It originated from the Professional-Technical Education conference room of the Len B. Jordan Building (650 West State Street) in Boise, Idaho. Board President Rod Lewis called the meeting to order at 5:30 p.m. A roll call was taken; Dr. Howard was present in the Len B. Jordan Building and the other Board members attended by teleconference.

Members Present:

Rod Lewis, President
Milford Terrell, Secretary
Blake Hall
Sue Thilo

Laird Stone, Vice President
Paul Agidius
Karen McGee
Marilyn Howard, State Superintendent

1. University of Idaho – Building Purchase

Board Member Hall suggested that a motion to reconsider this item was necessary. President Lewis asked for clarification from legal counsel. Board members agreed a motion to reconsider needed to be made and seconded by Board members who previously voted in the majority regarding the University of Idaho building purchase proposal.

M/S (Terrell/Howard): A motion for reconsideration. *A roll call vote was taken; motion carried unanimously.*

Kent Nelson, legal counsel for the Board, introduced the revised proposal. He noted that the changes made since the previous meeting regarded the distribution of the proceeds from the acquisition of the property. The original proposal was for a purchase

price of \$400,102, with no stipulation for where funds were spent. The current proposal has the funds being appropriated first to retire the obligations against the property, with a cap of \$200,000. The balance will remain in escrow, available for reinstallation of a Tau Kappa Iota (TKE) Chapter on campus, upon agreement of certain stipulations, until the year 2015. If not used by that year, the funds will be rolled over and used for a scholarship endowment for the University of Idaho, for descendants or relatives of the Tau Kappa Iota fraternity alumni from the University of Idaho. If no qualifying applicants apply during a particular academic year, the funds would be used for general scholarship purposes.

Board member Hall asked for more details about who retains the \$200,000 in the interim until 2015, in the absence of setting up a new fraternity. Mr. Nelson said the funds would be placed in a third-party escrow and set up under the local chapter name so that the agreement of all three parties involved (the local TKE chapter, the national TKE chapter, and the University of Idaho) would be required for any disbursement to be made. While the escrow holder has not been identified, it will likely be a local bank or escrow company, located in Moscow. Specific individuals from each entity have not been identified as trustees of the account as yet. The most likely route would be to identify officers or offices within the institutions to act as trustees, rather than specific individuals.

Interest income from the fund would defray the cost of the escrow and then remain in the balance of the fund.

It will be required that the scholarship be given specifically to University of Idaho students who are heirs of TKE alumni.

President Lewis made a recommendation that the language be tightened to make sure the descendants receiving the scholarship do go to the University of Idaho.

M/S (Hall/Terrell): To approve the proposed settlement, with the final terms to be reviewed and approved by the Executive Director and the Board counsel, with the following conditions: 1) an Idaho Escrow Company being selected as the escrow holder, 2) scholarship fund solely for TKE heirs attending University of Idaho, and 3) the naming of appropriate trustees for and on behalf of the escrow. A roll call vote was taken; motion carried unanimously.

2. Status of ISIMS Project

Board Member Howard presented the Board with a progress report of the ISIMS Project. The project is still under the operations of the Albertson's Foundation and their management team, Capgemini. Currently, they are assessing the circumstances in the districts affected. The project is interested in two products going forward – two products that have already been proven in some districts. It may possibly go beyond two, but not be too widespread.

The Department is receiving numerous calls from people who want to solve the problems. The review is competitive, but the qualities needed are also very demanding. The goal is to support the Albertson's Foundation as it moves forward in making decisions that help the districts be in good shape and to set up a system where all of the problems will be solved. The Foundation has found that there isn't time or money wasted with this project – all districts have moved ahead.

Dr. Howard said it is important to support the districts so they don't see new, strange and unworkable plans being promoted. She also clarified that this project is still residing with the Albertson's Foundation and Capgemini Group and the decisions for the next six months are related to them.

The Board members asked Dr. Howard how the budget looked compared to what was projected. Dr. Howard clarified that the project was still within the lines of what was allotted, with the exception of the professional development funding. It was made clear that no state dollars have been expended; to date, the project has been underwritten by the Albertson's Foundation.

(Note: At this time, Board member Terrell asked to be excused early and left the meeting early.)

The Board expressed the need to distinguish what the Albertson's Foundation is undertaking and what the state is doing to extend programs. It also expressed a need to learn more regarding the project as opposed to expressing opinions and promising to expend state dollars.

The Board asked the Office of the State Board of Education to work with the State Department of Education to provide them with an audit of the current status of ISIMS regarding resources, and to indicate what is being contemplated for additional expenditures, and what the potential path forward would be.

Board member Agidius asked when the Board could anticipate having a more thorough presentation. Dr. Howard responded that the January 24, 2005 Board meeting would come after the Albertson's Foundation has regional meeting, so a presentation should be ready by then.

M/S (Agidius/McGee): To adjourn. *A roll call vote was taken; motion carried 7-0 (Board member Terrell absent).*

The meeting adjourned at 6:33 p.m.