



**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
SPECIAL TELECONFERENCE MEETING
May 13, 2005
Len B. Jordan Building
Boise, Idaho**

A special meeting of the State Board of Education was held May 13, 2005 and originated from the Len B. Jordan Building Professional-Technical Conference Room, Boise, Idaho. The meeting was conducted by conference call. President Rod Lewis presided.

Rod Lewis, President	Laird Stone, Vice President
Milford Terrell, Secretary	Paul Agidius
Blake Hall	Karen McGee
Sue Thilo	Marilyn Howard, State Superintendent

The meeting was called to order at 10:40 a.m. A roll call of Board members was taken and the agenda was reviewed.

BUSINESS AFFAIRS AND HUMAN RESOURCES

Section II – Business Affairs (Finance)

1. FY 2006 APPROPRIATIONS – COLLEGE AND UNIVERSITIES ALLOCATION

Jeff Shinn introduced this carry-over item from the April Board meeting. He referred to the agenda materials for the Board's consideration. The institutions were invited to comment.

President Tim White, University of Idaho, spoke about the need to make recommendations based on current analysis. He agreed that the concept of equity is important, but reminded the Board that equity does not mean equal. In discussing the reallocation options, President White said UI could take out up to \$250,000 from its contingency fund, keeping in mind that the fund is small and is used to meet other unexpected costs.

President White asked the Board to develop an objective equity resettlement plan to bring the study up to date with current data (productivity, graduate rates, etc.). He asked the Board not to impose a policy or a practice that funds one growing institution while subtracting funds from

another growing institution. He closed by reminding the Board that UI has already made major cuts in its budget.

Stacy Pearson, Boise State University Vice President of Finance and Administration, reported that BSU views the original study as valid and supports the proposed 5% allocation.

Ken Prolo, Financial Vice President of Idaho State University, reported that President Bowen's preference would be not to distribute any dollars at this time, but to study the numbers more closely and to look at the research component.

Ron Smith, Lewis Clark State College Administrative Services, reported that the institution's position was to encourage an updated study.

Board President Lewis opened the discussion for the Board members. Dr. Howard put forth a motion.

M/S (Howard/Agidius): To approve the allocation of the FY 2006 legislative appropriations contained in Senate Bills 1187 and 1230 for BSU, ISU, UI and LCSC and system-wide needs, as originally proposed at the April 2005 Board meeting, and contained on Page 7, lines 13-37 of this agenda item. Further, the Board directs the Finance Committee to begin to prepare a multi-year reallocation plan regarding funding equity, to begin in FY 2007, as directed by the Legislature. This motion does not reallocate any funds in FY 2006 for funding equity purposes. (There was no vote on this motion because a substitute motion was made.)

Dr. Howard noted she proposed the motion for two reasons. First, so that the budgeted amounts aren't changed after the institutions have been given amounts. Secondly, the Legislature has handed the Board the directive to put into place a process and the motion does speak to that.

Board member Agidius indicated that changing the funding this late in the process was not appropriate and if the Board is able to come up with a process, it is in keeping with the legislation.

Board member Terrell asked Dr. White about the numbers in the suggested 5% reallocation option. Dr. White indicated that 5% would leave few resources for dealing with other unexpected issues that may come up. He went on to note that while the UI did offer to go as high as \$250,000, its impact on the institution, and the financial precariousness of the UI, puts the UI in an uncomfortable position at this time.

Gary Stivers introduced Matt Freeman from Division of Financial Management, and explained that in Mr. Freeman's assessment, beginning a study this year would be in keeping with the intent of the language of the legislation.

President Bob Kustra, BSU, pointed out that all the institutions have been going through a difficult time. He urged the Board to put forward a motion that doesn't dramatically affect the budgets in an effort to do what's fair for all institutions.

Dr. White explained that if the contingency fund is depleted, the institution may have to make minor to severe mid-year adjustments by eliminating additional non-contract employees or redirecting project funds.

Board member Hall observed that equity funding became a critical issue for the Board about four years ago. He indicated a high level of frustration with the Legislature for not supporting the equity funding request even though it has been the number one priority for the past three years.

Board member Hall pointed out that the most recent appropriation unanimously directed the Board to stop coming to the Legislature with an equity funding request, and to deal with equity within the institutions in the current and future budgets. He reiterated that it is incumbent upon the Board to demonstrate their willingness to do as directed and for the Legislature to understand the implication of funding equity out of existing funds.

Substitute Motion: Hall/McGee): A motion to approve the allocation of the FY 2006 legislative appropriations contained in Senate Bills 1187 and 1230 for BSU, ISU, UI and LCSC, and system-wide needs, as presented on Page 7, lines 39 through 64 of this agenda item, to include a 3.5% Base reallocation for funding equity. Further, the Board directs the Finance Committee to begin to prepare a multi-year reallocation plan regarding funding equity, as directed by the Legislature. (Following brief discussion, the language of the substitute motion was amended.)

Amend the substitute motion to read: (Hall/McGee): To approve the allocation of the FY 2006 legislative appropriations contained in Senate Bills 1187 and 1230 for Boise State University, Idaho State University, University of Idaho and Lewis Clark State College, and system-wide needs, as presented on Page 7, lines 39 through 64 of this agenda item, to include a 3.5% Base reallocation for funding equity. Further, the Board directs the Finance Committee to begin to prepare a multi-year reallocation plan regarding funding equity, as directed by the Legislature; and to instruct the Finance Committee to review and make a determination whether or not to update the study and if so, to come back to the Board with their recommendation. Motion carried 6-2 (Thilo and Howard dissenting).

Board President Lewis noted that as the Board moves forward, it is important to reflect on the study; how it came about, its purpose, and its various components. He agreed that in taking the action that the Legislature has directed, the Legislature will realize the consequences.

Dr. Howard asked that the discussion of equity has taken the place of adequacy and adequacy needs to come to the forefront in the future.

EXECUTIVE SESSION

M/S (Stone/Agidius): To move into executive session pursuant to Idaho Code Section 67-2345(1) at 11:45 a.m. Motion carried unanimously.

M/S (Thilo/Agidius): To move out of Executive Session and adjourn at 2:45 p.m. Motion carried unanimously.

In executive session, The Board considered hiring a public officer, employee, staff member or individual agent; considered the evaluation, dismissal or disciplining of, or complaints or charges brought against a public officer, employee, staff member of individual agent, or public school student; conducted deliberations concerning labor negotiation or to acquire an interest in real property which is not owned by a public agency; considered records that are exempt from public inspection; considered preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations; and considered and advised its legal representatives in pending litigation or where there is a general public awareness of probable litigation.